



STATE OF MISSOURI  
OFFICE OF ADMINISTRATION  
DIVISION OF PURCHASING AND MATERIALS MANAGEMENT (DPMM)  
REQUEST FOR PROPOSAL (RFP)

AMENDMENT NO.: 004  
RFP NO.: B2Z11028  
TITLE: MODERNIZATION OF UNEMPLOYMENT INSURANCE  
ISSUE DATE: 3/16/11

REQ NO.: NR 300 31871000002  
BUYER: JULIE LOMBARD  
PHONE NO.: (573) 751-4148  
E-MAIL: [Julie.Lombard@oa.mo.gov](mailto:Julie.Lombard@oa.mo.gov)

RETURN PROPOSAL NO LATER THAN: **4/15/11** AT 2:00 PM CENTRAL TIME

MAILING INSTRUCTIONS: Print or type **RFP Number** and **Return Due Date** on the lower left hand corner of the envelope or package. Delivered sealed proposals must be in DPMM office (301 W High Street, Room 630) by the return date and time.

RETURN PROPOSAL AND AMENDMENT(S) TO:

(U.S. Mail)

DPMM

PO BOX 809

JEFFERSON CITY MO 65102-0809

or

(Courier Service)

DPMM

301 WEST HIGH STREET, ROOM 630

JEFFERSON CITY MO 65101-1517

CONTRACT PERIOD: DATE OF AWARD THROUGH FIVE YEARS

DELIVER SUPPLIES/SERVICES FOB (Free On Board) DESTINATION TO THE FOLLOWING ADDRESS:

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
DIVISION OF EMPLOYMENT SECURITY  
421 E. DUNKLIN ST.  
JEFFERSON CITY, MO 65101

The offeror hereby declares understanding, agreement and certification of compliance to provide the items and/or services, at the prices quoted, in accordance with all terms and conditions, requirements, and specifications of the original RFP as modified by this and any previously issued RFP amendments. The offeror should, as a matter of clarity and assurance, also sign and return all previously issued RFP amendment(s) and the original RFP document. The offeror agrees that the language of the original RFP as modified by this and any previously issued RFP amendments shall govern in the event of a conflict with his/her proposal. The offeror further agrees that upon receipt of an authorized purchase order from the Division of Purchasing and Materials Management or when a Notice of Award is signed and issued by an authorized official of the State of Missouri, a binding contract shall exist between the offeror and the State of Missouri.

**SIGNATURE REQUIRED**

DOING BUSINESS AS (DBA) NAME		LEGAL NAME OF ENTITY/INDIVIDUAL FILED WITH IRS FOR THIS TAX ID NO.	
MAILING ADDRESS		IRS FORM 1099 MAILING ADDRESS	
CITY, STATE, ZIP CODE		CITY, STATE, ZIP CODE	

  

CONTACT PERSON		EMAIL ADDRESS	
PHONE NUMBER		FAX NUMBER	
TAXPAYER ID NUMBER (TIN)	TAXPAYER ID (TIN) TYPE (CHECK ONE) ___ FEIN ___ SSN	VENDOR NUMBER (IF KNOWN)	
VENDOR TAX FILING TYPE WITH IRS (CHECK ONE) ___ Corporation ___ Individual ___ State/Local Government ___ Partnership ___ Sole Proprietor ___ IRS Tax-Exempt			
AUTHORIZED SIGNATURE		DATE	
PRINTED NAME		TITLE	

**AMENDMENT #004 TO RFP B2Z11028****TITLE: MODERNIZATION OF UNEMPLOYMENT INSURANCE****CONTRACT PERIOD: DATE OF AWARD THROUGH FIVE YEARS**

Prospective offerors are hereby notified of the following changes and clarifications:

1. Closing Date:  
As Stated: Return bid no later than: 3/31/11 at 2:00 p.m.  
Change To: Return bid no later than: **4/15/11 at 2:00 p.m.**
  
2. Exhibit D.1.A spreadsheet (*Summary tab, a calculation error has been corrected*)



STATE OF MISSOURI  
OFFICE OF ADMINISTRATION  
DIVISION OF PURCHASING AND MATERIALS MANAGEMENT (DPMM)  
REQUEST FOR PROPOSAL (RFP)

AMENDMENT NO.: 003  
RFP NO.: B2Z11028  
TITLE: MODERNIZATION OF UNEMPLOYMENT INSURANCE  
ISSUE DATE: 2/16/11

REQ NO.: NR 300 31871000002  
BUYER: JULIE LOMBARD  
PHONE NO.: (573) 751-4148  
E-MAIL: [Julie.Lombard@oa.mo.gov](mailto:Julie.Lombard@oa.mo.gov)

RETURN PROPOSAL NO LATER THAN: 3/31/11 AT 2:00 PM CENTRAL TIME

MAILING INSTRUCTIONS: Print or type **RFP Number** and **Return Due Date** on the lower left hand corner of the envelope or package. Delivered sealed proposals must be in DPMM office (301 W High Street, Room 630) by the return date and time.

RETURN PROPOSAL AND AMENDMENT(S) TO:

(U.S. Mail)

DPMM  
PO BOX 809  
JEFFERSON CITY MO 65102-0809

or

(Courier Service)

DPMM  
301 WEST HIGH STREET, ROOM 630  
JEFFERSON CITY MO 65101-1517

CONTRACT PERIOD: DATE OF AWARD THROUGH FIVE YEARS

DELIVER SUPPLIES/SERVICES FOB (Free On Board) DESTINATION TO THE FOLLOWING ADDRESS:

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
DIVISION OF EMPLOYMENT SECURITY  
421 E. DUNKLIN ST.  
JEFFERSON CITY, MO 65101

The offeror hereby declares understanding, agreement and certification of compliance to provide the items and/or services, at the prices quoted, in accordance with all terms and conditions, requirements, and specifications of the original RFP as modified by this and any previously issued RFP amendments. The offeror should, as a matter of clarity and assurance, also sign and return all previously issued RFP amendment(s) and the original RFP document. The offeror agrees that the language of the original RFP as modified by this and any previously issued RFP amendments shall govern in the event of a conflict with his/her proposal. The offeror further agrees that upon receipt of an authorized purchase order from the Division of Purchasing and Materials Management or when a Notice of Award is signed and issued by an authorized official of the State of Missouri, a binding contract shall exist between the offeror and the State of Missouri.

SIGNATURE REQUIRED

DOING BUSINESS AS (DBA) NAME		LEGAL NAME OF ENTITY/INDIVIDUAL FILED WITH IRS FOR THIS TAX ID NO.	
MAILING ADDRESS		IRS FORM 1099 MAILING ADDRESS	
CITY, STATE, ZIP CODE		CITY, STATE, ZIP CODE	
CONTACT PERSON		EMAIL ADDRESS	
PHONE NUMBER		FAX NUMBER	
TAXPAYER ID NUMBER (TIN)	TAXPAYER ID (TIN) TYPE (CHECK ONE) ___ FEIN ___ SSN	VENDOR NUMBER (IF KNOWN)	
VENDOR TAX FILING TYPE WITH IRS (CHECK ONE) ___ Corporation ___ Individual ___ State/Local Government ___ Partnership ___ Sole Proprietor ___ IRS Tax-Exempt			
AUTHORIZED SIGNATURE		DATE	
PRINTED NAME		TITLE	

**AMENDMENT #003 TO RFP B2Z11028****TITLE: MODERNIZATION OF UNEMPLOYMENT INSURANCE****CONTRACT PERIOD: DATE OF AWARD THROUGH FIVE YEARS**

Prospective offerors are hereby notified of the following changes and clarifications:

1. Closing Date:  
As Stated: Return bid no later than: 3/1/11 at 2:00 p.m.  
Change To: Return bid no later than: **3/31/11 at 2:00 p.m.**
2. The following paragraphs have been **REVISED**:  
  
2.9.4 d, i, and j  
2.9.5 e.  
4.6.3  
4.8.2  
4.11.19  
5.15.1  
7.6.3  
7.6.3 a.  
7.6.5
3. The following paragraph has been **DELETED**:  
  
4.6.14
4. The following paragraphs have been **ADDED**:  
  
4.12.2 a. 10)  
4.6.18  
4.6.19  
4.6.20  
5.1.4
5. The following exhibits have been **REVISED**:  
  
Exhibit A: Other Required Costs tab sheet *added*. Instructions, Required Pricing, and Optional Costs tab sheets *revised*.  
  
Exhibit C: Exhibit item #3 has been *revised*  
  
Exhibit D: Exhibit item #2, 5, 9, 11, 13, 14, 17, 20 – 27, 29, 35, 36, 38 - 41 have all been *revised*.  
Exhibit items #42 - 45 have been *added*.
6. The following attachment has been **REVISED**:  
  
Attachment 4 Current Architecture and Data Flow Diagrams (*see pages 6 and 10*)



STATE OF MISSOURI  
OFFICE OF ADMINISTRATION  
DIVISION OF PURCHASING AND MATERIALS MANAGEMENT (DPMM)  
REQUEST FOR PROPOSAL (RFP)

AMENDMENT NO.: 002  
RFP NO.: B2Z11028  
TITLE: MODERNIZATION OF UNEMPLOYMENT INSURANCE  
ISSUE DATE: 1/18/11

REQ NO.: NR 300 31871000002  
BUYER: JULIE LOMBARD  
PHONE NO.: (573) 751-4148  
E-MAIL: [Julie.Lombard@oa.mo.gov](mailto:Julie.Lombard@oa.mo.gov)

RETURN PROPOSAL NO LATER THAN: 3/1/11 AT 2:00 PM CENTRAL TIME

MAILING INSTRUCTIONS: Print or type **RFP Number** and **Return Due Date** on the lower left hand corner of the envelope or package. Delivered sealed proposals must be in DPMM office (301 W High Street, Room 630) by the return date and time.

RETURN PROPOSAL AND AMENDMENT(S) TO:

(U.S. Mail)

DPMM  
PO BOX 809  
JEFFERSON CITY MO 65102-0809

or

(Courier Service)

DPMM  
301 WEST HIGH STREET, ROOM 630  
JEFFERSON CITY MO 65101-1517

CONTRACT PERIOD: DATE OF AWARD THROUGH FIVE YEARS

DELIVER SUPPLIES/SERVICES FOB (Free On Board) DESTINATION TO THE FOLLOWING ADDRESS:

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
DIVISION OF EMPLOYMENT SECURITY  
421 E. DUNKLIN ST.  
JEFFERSON CITY, MO 65101

The offeror hereby declares understanding, agreement and certification of compliance to provide the items and/or services, at the prices quoted, in accordance with all terms and conditions, requirements, and specifications of the original RFP as modified by this and any previously issued RFP amendments. The offeror should, as a matter of clarity and assurance, also sign and return all previously issued RFP amendment(s) and the original RFP document. The offeror agrees that the language of the original RFP as modified by this and any previously issued RFP amendments shall govern in the event of a conflict with his/her proposal. The offeror further agrees that upon receipt of an authorized purchase order from the Division of Purchasing and Materials Management or when a Notice of Award is signed and issued by an authorized official of the State of Missouri, a binding contract shall exist between the offeror and the State of Missouri.

SIGNATURE REQUIRED

DOING BUSINESS AS (DBA) NAME		LEGAL NAME OF ENTITY/INDIVIDUAL FILED WITH IRS FOR THIS TAX ID NO.	
MAILING ADDRESS		IRS FORM 1099 MAILING ADDRESS	
CITY, STATE, ZIP CODE		CITY, STATE, ZIP CODE	

  

CONTACT PERSON		EMAIL ADDRESS	
PHONE NUMBER		FAX NUMBER	

  

TAXPAYER ID NUMBER (TIN)	TAXPAYER ID (TIN) TYPE (CHECK ONE) ___ FEIN ___ SSN	VENDOR NUMBER (IF KNOWN)
--------------------------	--	--------------------------

  

VENDOR TAX FILING TYPE WITH IRS (CHECK ONE) ___ Corporation ___ Individual ___ State/Local Government ___ Partnership ___ Sole Proprietor ___ IRS Tax-Exempt	
---	--

  

AUTHORIZED SIGNATURE	DATE
PRINTED NAME	TITLE

**AMENDMENT #002 TO RFP B2Z11028****TITLE: MODERNIZATION OF UNEMPLOYMENT INSURANCE****CONTRACT PERIOD: DATE OF AWARD THROUGH FIVE YEARS**

Prospective offerors are hereby notified of the following changes and clarifications:

1. The following paragraphs have been **REVISED**:

2.9.4 d & i

4.8.1

4.8.2

2. The following exhibits have been **REVISED**:

Exhibit D: item 10 (*clarification made as to what is to be converted*)

Exhibit D.1.A spreadsheet (*unlocked cells F9 and F10 in spreadsheet tabs MD.5.03 Req, CA.5.10 Req, and AP.5.21 Req*)



STATE OF MISSOURI  
OFFICE OF ADMINISTRATION  
DIVISION OF PURCHASING AND MATERIALS MANAGEMENT (DPMM)  
REQUEST FOR PROPOSAL (RFP)

AMENDMENT NO.: 001  
RFP NO.: B2Z11028  
TITLE: MODERNIZATION OF UNEMPLOYMENT INSURANCE  
ISSUE DATE: 1/5/11

REQ NO.: NR 300 31871000002  
BUYER: JULIE LOMBARD  
PHONE NO.: (573) 751-4148  
E-MAIL: [Julie.Lombard@oa.mo.gov](mailto:Julie.Lombard@oa.mo.gov)

RETURN PROPOSAL NO LATER THAN: 3/1/11 AT 2:00 PM CENTRAL TIME

MAILING INSTRUCTIONS: Print or type **RFP Number** and **Return Due Date** on the lower left hand corner of the envelope or package. Delivered sealed proposals must be in DPMM office (301 W High Street, Room 630) by the return date and time.

RETURN PROPOSAL AND AMENDMENT(S) TO:

(U.S. Mail)

DPMM  
PO BOX 809  
JEFFERSON CITY MO 65102-0809

or

(Courier Service)

DPMM  
301 WEST HIGH STREET, ROOM 630  
JEFFERSON CITY MO 65101-1517

CONTRACT PERIOD: DATE OF AWARD THROUGH FIVE YEARS

DELIVER SUPPLIES/SERVICES FOB (Free On Board) DESTINATION TO THE FOLLOWING ADDRESS:

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
DIVISION OF EMPLOYMENT SECURITY  
421 E. DUNKLIN ST.  
JEFFERSON CITY, MO 65101

The offeror hereby declares understanding, agreement and certification of compliance to provide the items and/or services, at the prices quoted, in accordance with all terms and conditions, requirements, and specifications of the original RFP as modified by this and any previously issued RFP amendments. The offeror should, as a matter of clarity and assurance, also sign and return all previously issued RFP amendment(s) and the original RFP document. The offeror agrees that the language of the original RFP as modified by this and any previously issued RFP amendments shall govern in the event of a conflict with his/her proposal. The offeror further agrees that upon receipt of an authorized purchase order from the Division of Purchasing and Materials Management or when a Notice of Award is signed and issued by an authorized official of the State of Missouri, a binding contract shall exist between the offeror and the State of Missouri.

SIGNATURE REQUIRED

DOING BUSINESS AS (DBA) NAME	LEGAL NAME OF ENTITY/INDIVIDUAL FILED WITH IRS FOR THIS TAX ID NO.
MAILING ADDRESS	IRS FORM 1099 MAILING ADDRESS
CITY, STATE, ZIP CODE	CITY, STATE, ZIP CODE

CONTACT PERSON		EMAIL ADDRESS	
PHONE NUMBER		FAX NUMBER	
TAXPAYER ID NUMBER (TIN)	TAXPAYER ID (TIN) TYPE (CHECK ONE) ___ FEIN ___ SSN	VENDOR NUMBER (IF KNOWN)	
VENDOR TAX FILING TYPE WITH IRS (CHECK ONE) ___ Corporation ___ Individual ___ State/Local Government ___ Partnership ___ Sole Proprietor ___ IRS Tax-Exempt			
AUTHORIZED SIGNATURE		DATE	
PRINTED NAME		TITLE	

**AMENDMENT #001 TO RFP B2Z11028****TITLE: MODERNIZATION OF UNEMPLOYMENT INSURANCE****CONTRACT PERIOD: DATE OF AWARD THROUGH FIVE YEARS**

Prospective offerors are hereby notified of the following changes and clarifications:

1. Closing Date:  
As Stated: Return bid no later than: 2/1/11 at 2:00 p.m.  
Change To: Return bid no later than: **3/1/11 at 2:00 p.m.**
2. The following paragraphs have been **REVISED**:  
  
2.12 Acronyms  
4.6.6  
4.6.14  
4.6.15  
4.11.13  
4.14.1  
4.16.1  
4.16.2  
4.16.3  
4.17.4
3. The following paragraph has been **ADDED**:  
  
2.11.70
4. The following exhibit has been **REVISED**:  
  
Exhibit D: Exhibit item #2, 5,9, 11, 13, 14, 17, 22 – 29, and 36 have all been *revised*.  
Exhibit item #40 and 41 have been *added*.





STATE OF MISSOURI  
OFFICE OF ADMINISTRATION  
DIVISION OF PURCHASING AND MATERIALS MANAGEMENT (DPMM)  
REQUEST FOR PROPOSAL (RFP)

RFP NO.: B2Z11028

TITLE: MODERNIZATION OF UNEMPLOYMENT INSURANCE

ISSUE DATE: 12/02/10

REQ NO.: NR 300 31871000002

BUYER: JULIE LOMBARD

PHONE NO.: (573) 751-4148

E-MAIL: [Julie.Lombard@oa.mo.gov](mailto:Julie.Lombard@oa.mo.gov)

RETURN PROPOSAL NO LATER THAN: 02/01/11 AT 2:00 PM CENTRAL TIME

MAILING INSTRUCTIONS: Print or type **RFP Number** and **Return Due Date** on the lower left hand corner of the envelope or package. Delivered sealed proposals must be in DPMM office (301 W High Street, Room 630) by the return date and time.

(U.S. Mail)	(Courier Service)
RETURN PROPOSAL TO: DPMM	DPMM
PO BOX 809	301 WEST HIGH STREET, RM 630
JEFFERSON CITY MO 65102-0809	JEFFERSON CITY MO 65101-1517

CONTRACT PERIOD: DATE OF AWARD THROUGH FIVE YEARS

DELIVER SUPPLIES/SERVICES FOB (Free On Board) DESTINATION TO THE FOLLOWING ADDRESS:

DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS  
DIVISION OF EMPLOYMENT SECURITY  
421 E. DUNKLIN ST.  
JEFFERSON CITY, MO 65101

The offeror hereby declares understanding, agreement and certification of compliance to provide the items and/or services, at the prices quoted, in accordance with all requirements and specifications contained herein and the Terms and Conditions Request for Proposal (Revised 01/20/10). The offeror further agrees that the language of this RFP shall govern in the event of a conflict with his/her proposal. The offeror further agrees that upon receipt of an authorized purchase order from the Division of Purchasing and Materials Management or when a Notice of Award is signed and issued by an authorized official of the State of Missouri, a binding contract shall exist between the offeror and the State of Missouri.

SIGNATURE REQUIRED

DOING BUSINESS AS (DBA) NAME		LEGAL NAME OF ENTITY/INDIVIDUAL FILED WITH IRS FOR THIS TAX ID NO.	
MAILING ADDRESS		IRS FORM 1099 MAILING ADDRESS	
CITY, STATE, ZIP CODE		CITY, STATE, ZIP CODE	
CONTACT PERSON		EMAIL ADDRESS	
PHONE NUMBER		FAX NUMBER	
TAXPAYER ID NUMBER (TIN)	TAXPAYER ID (TIN) TYPE (CHECK ONE) ___ FEIN ___ SSN	VENDOR NUMBER (IF KNOWN)	
VENDOR TAX FILING TYPE WITH IRS (CHECK ONE) (NOTE: LLC IS NOT A VALID TAX FILING TYPE.) ___ Corporation ___ Individual ___ State/Local Government ___ Partnership ___ Sole Proprietor ___ Other _____			
AUTHORIZED SIGNATURE		DATE	
PRINTED NAME		TITLE	

# 1. TABLE OF CONTENTS

Section	Description
<b>2</b>	<b>INTRODUCTION</b>
2.1	Purpose
2.2	Pre-Proposal Conference
2.3	RFP Questions
2.4	Offeror's Contacts
2.5	Goals and Objectives
2.6	Project Overview
2.7	Problem Statement
2.8	Background Information
2.9	Current System Overview
2.10	Exhibits/Attachments
2.11	Definitions
2.12	Acronyms
<b>3</b>	<b>CONTRACTUAL REQUIREMENTS</b>
3.1	Contract
3.2	Contract Period
3.3	Price
3.4	Payments
3.5	Federal Funds Requirement
3.6	Contractor Liability
3.7	Liquidated Damages
3.8	Force Majeure
3.9	No Actions, Suits, or Proceedings
3.10	Warranty of Contractor Capability
3.11	Inventions, Patents, and Copyrights
3.12	Insurance
3.13	Termination
3.14	Contractor Status
3.15	Subcontractors
3.16	Contractor's Personnel
3.17	Participation by Other Organizations
3.18	Substitution of Personnel
3.19	Prohibitive Hiring
3.20	Coordination
3.21	Transition
3.22	Property of State
3.23	Confidentiality and Security Documents
3.24	Substitutions of Products/Services
3.25	Contract Monitoring
3.26	Software Piracy Prohibition
3.27	Prohibition of Electronic Interference
3.28	Independent Obligation of Contractor to Continue Performance
3.29	Escalation Procedure
<b>4</b>	<b>PERFORMANCE REQUIREMENTS</b>
4.1	General Requirements
4.2	Project Meetings/Sessions/Interviews
4.3	Project Documentation
4.4	Staff/Schedules
4.5	Project Management
4.6	Infrastructure

Section	Description
4.7	Security
4.8	Imaging/Document/Content Management
4.9	Database
4.10	Reporting
4.11	System Development Standards
4.12	Deliverable Requirements
4.13	Deliverable Review/Acceptance/Approval
4.14	Conversion, Bridging, and Data Synchronization
4.15	Testing
4.16	Defect, Error, Issue, and Enhancement Tracking
4.17	Warranties
<b>5</b>	<b>DEVELOPMENT INITIATIVES</b>
5.1	General
5.2	Foundational Elements
5.3	Master Data Management
5.4	Document Management
5.5	Employer Establishment
5.6	Employer Maintenance
5.7	CW Reports
5.8	Employee Leasing
5.9	Tax Adjustments & Determinations
5.10	Cashiering
5.11	Payments
5.12	Billing & Collections
5.13	Liens
5.14	Claims Management
5.15	Benefits Special Programs
5.16	Out-of-State Functions
5.17	Disputes
5.18	Benefit Review
5.19	Benefits Adjustments & Determinations
5.20	Overpayments
5.21	Appeals
5.22	Fraud & Investigations
5.23	Audits
5.24	USDOL Compliance
5.25	IRS Compliance
5.26	Reporting
<b>6</b>	<b>PROJECT ASSESSMENT QUOTATION (PAQ)</b>
6.1	Project Assessment Quotation (PAQ)
<b>7</b>	<b>OFFEROR'S INSTRUCTIONS AND REQUIREMENTS</b>
7.1	Preparation and Submission of Proposals
7.2	Compliance with Terms and Conditions
7.3	Competitive Negotiation of Proposals
7.4	Foreign Vendors
7.5	Business Compliance
7.6	Proposal Evaluation and Award
7.7	Offeror's Response to Evaluative Criteria
7.8	Other Requested Information
<b>STATE OF MISSOURI DIVISION OF PURCHASING AND MATERIALS MANAGEMENT TERMS AND CONDITIONS – REQUEST FOR PROPOSAL</b>	
1	Terminology/Definitions

Section	Description
2	Applicable Laws and Regulations
3	Open Competition/RFP Document
4	Preparation of Proposals
5	Submission of Proposals
6	Proposal Opening
7	Preferences
8	Evaluation/Award
9	Contract/Purchase Order
10	Invoicing and Payment
11	Delivery
12	Inspection and Acceptance
13	Warranty
14	Conflict of Interest
15	Remedies and Rights
16	Cancellation of Contract
17	Communications and Notices
18	Bankruptcy or Insolvency
19	Inventions, Patents and Copyrights
20	Non-Discrimination and Affirmative Action
21	Americans with Disabilities Act
22	Filing and Payment of Taxes
23	Titles
<b>SEPARATE DOWNLOADABLE DOCUMENTS</b>	
Exhibit A	Pricing Pages
Exhibit B	Experience, Expertise, and Reliability
Exhibit C	Performance Plans
Exhibit C.1.A	Staffing Levels
Exhibit D	Functional and Technical Capabilities
Exhibit D.1.A	Functional and Technical Requirements Matrix
Exhibit E	Participation by Other Organizations
Exhibit F	Missouri Service-Disabled Veteran Business Preference
Exhibit G	Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization
Exhibit H	Other Requested Information
Attachment 1	Current DES Organizational Chart
Attachment 2	Process Flow Diagrams of Current Operations and Business Rules
Attachment 3	Current Data Strategy
Attachment 4	Current Architecture and Data Flow Diagrams
Attachment 4.1	Current Legacy Data Structures
Attachment 5	Process Flow Diagrams of Future Operations
Attachment 6	Deliverable Review Form
Attachment 7	Deliverable Approval Form
Attachment 8	Current Reports
Attachment 9	Proposed Organizational Chart
Attachment 10	Current Correspondence
Attachment 11	Proposed Detailed Functional and Technical Requirements
Attachment 12	Demonstration/Presentation Agenda and Scenarios

## **2. INTRODUCTION**

This section of the Request for Proposal (RFP) includes a brief introduction and background information about the intended acquisition for which the requirements herein are written. The contents of this section are intended for informational purposes and do not require a response.

### **2.1 Purpose:**

2.1.1 This document constitutes a request for sealed proposals from prospective offerors for the design, development, and implementation of a modern Unemployment Insurance (UI) Information Technology (IT) system. The Office of Administration Information Technology Services Division (ITSD), on behalf of the Department of Labor and Industrial Relations (DOLIR) – Division of Employment Security (DES), hereafter referred to as the “state” or “agency”, is seeking a solution that provides total replacement of the legacy UI business systems in accordance with the requirements and provisions stated herein.

2.1.2 The system will be utilized by both external and internal customers (i.e., employers, claimants, third parties, staff of various state agencies).

### **2.2 Pre-Proposal Conference:**

2.2.1 **A pre-proposal conference regarding this RFP will be held on Tuesday, December 14, 2010 at 8:00 a.m. in Room 400 of the Harry S Truman Building, 301 West High Street, Jefferson City, Missouri.**

2.2.2 All potential offerors are encouraged to attend the pre-proposal conference in order to ask questions and provide comments on the RFP. Attendance is not required in order to submit a response; however, offerors are encouraged to attend since information relating to this RFP will be discussed in detail. Offerors should bring a copy of the RFP since it will be used as the agenda for the pre-proposal conference.

2.2.3 Offerors are strongly encouraged to advise the Division of Purchasing and Materials Management (DPMM) within five (5) working days prior to the scheduled pre-proposal conference of any special accommodations needed for persons with disabilities who will be attending the conference so that these accommodations can be made.

### **2.3 RFP Questions:**

2.3.1 Questions and issues relating to the RFP must be directed to the buyer, Julie Lombard. It is preferred that questions be e-mailed to [Julie.Lombard@oa.mo.gov](mailto:Julie.Lombard@oa.mo.gov).

2.3.2 All questions and issues should be submitted 10 business days prior to the due date of the proposal. If not received prior to 10 business days before the proposal due date, the DPMM may not be able to fully research and consider the respective questions or issues.

- a. Amendment to the RFP - Any changes needed to the RFP as a result of discussions from such communications/questions will be accomplished as an amendment to the RFP. There shall be no posted written records of the questions/communications (i.e., formal question/answer document).

### **2.4 Offeror's Contacts:**

2.4.1 Offerors and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, the evaluation, etc., to the buyer of record indicated on the first page of this RFP. The offeror may contact the Office of Equal Opportunity (OEO) regarding Minority Business Enterprise/Women Business Enterprise (MBE/WBE)

certification or subcontracting. Offerors and their agents may not contact any other state employee regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Offerors and their agents who have questions regarding this matter should contact the buyer of record.

## 2.5 Goals and Objectives:

2.5.1 The state's primary project purposes are to improve UI program services to Missouri's employers and claimants, reduce manual effort and inefficiencies, increase federal and state compliance, and upgrade antiquated technologies through modernization of the state's UI automated applications and related processes and business functions. Following is a high-level description of the goals and objectives for the project:

- a. **Improve UI program services to Missouri's employers and claimants by delivering effective, robust, interactive, timely, and complete services tailored to meet customer needs through:**
  - 1) Integrated service delivery
    - Provides integration with internal and external systems
    - Provides an integrated data flow
    - Provides seamless integration between the agency's tax, benefits, and appeals functions
    - Provides seamless functionality for users (internal and external)
  - 2) Support for multiple customer service delivery methods and options [e.g., Interactive Voice Response (IVR), Internet, fax, e-mail, etc.]
  - 3) Accuracy
    - Balanced accounting system including transaction balancing and financial reporting and accounting
    - Automated verification and validation of entered data
    - Improved timeliness and accuracy of determinations
    - Improved timeliness of appeal processing
  - 4) User-friendly interfaces
    - Provides customer accessibility to information
    - Improves customer service and satisfaction
    - Intuitive and easy to use
    - Provides intelligent question and answer prompting
    - Leads users (internal and external) through processes
    - Provides clear, concise online help
    - Provides accessibility for disabled users
    - Provides visuals/graphics to enhance usability
  - 5) Promotion of self service
    - Reduces phone calls and mailing of information
    - Frees staff to work with customers who require more assistance
    - Allows the agency to focus on additional service areas
    - Increases availability of services for external users
  - 6) Improved re-employment of unemployed workers
    - Returns UI claimants to work faster, thus reducing work load
    - Reduces duration of unemployment and payment of benefits, which improves trust fund solvency and lowers employer taxes

**b. Reduce manual efforts and inefficiencies through:**

- 1) Maximizing modernization efforts within budgetary constraints
  - Increases staff productivity
  - Requires less staff training
  - Utilizes intelligent business navigation and flows
  - Frees staff to perform investigative tasks
  - Requires minimal manual processes
  - Eliminates redundant data
  - Removes unnecessary, costly, time-consuming processes in tax, benefits, and appeals
  - Fixes current system deficiencies
- 2) Optimizing agency financial and human resources
  - Brings about short- and long-term cost savings
  - Reduces the need for staff time to check for and/or correct errors
  - Is customer-centric, not process-centric
  - Automates case workflow and management
  - Utilizes electronic document management techniques (e.g., sending, storing, recreating, etc.)
- 3) Improving systematic fraud detection
  - Prevents and detects improper benefit payments
  - Improves the process for detecting misclassified workers

**c. Increase federal and state compliance by:**

- 1) Improving reporting capabilities
  - Providing the agency with cleaner data electronically and securely
  - Increasing history retention
  - Allowing users to extract useful, useable information
  - Providing user-friendly and accurate statistical reporting
  - Providing performance metrics
  - Assessing trends and guiding decisions
  - Creating more robust abilities to manage agency processes
- 2) Meeting United States Department of Labor (USDOL), state, and data validation requirements for processes and reporting

**d. Upgrade antiquated technologies to architectures and technologies that are enduring, extensible, maintainable, and flexible by:**

- 1) Complying with Enterprise Architecture standards
  - Business architecture defines the agency's processes to accomplish its mission, vision, goals, objectives, and strategies
  - Information architecture defines UI information that is critical to the agency
  - Technology architecture defines the technology standards; includes sub-architectures of application, data, security, Internet, hardware, platforms, network, forms processing, etc.
- 2) Embracing Service-Oriented Architecture standards
- 3) Supporting integrated applications
  - Supports several service delivery methods
  - Utilizes an integrated database
  - Provides integrated programs

- 4) Providing applications that are easy to modify, customize, and support
  - Enhances business rule integrity and maintainability
  - Is enduring, easily maintained, and extendable (e.g., accommodates growth and future mandates)
  - Is upgradeable
  - Is business driven
  - Uses cutting-edge, proven technology that is easily updated
  - Re-engineers applications to be online and real-time where feasible
- 5) Reducing future maintenance costs
- 6) Improving interface configurability
- 7) Eliminating reliance on the mainframe
- 8) Improving system security

## **2.6 Project Overview:**

- 2.6.1 The agency requires a modern information technology system to process tax, benefits, and appeals information related to Missouri's statewide UI program. The current applications are in need of modernization and better integration to fully satisfy federal and state processing mandates. The state is seeking a technology solution that solves the business and technical problems described throughout the RFP and that satisfies the system and business processing requirements of the agency. A modernized UI system is vital to the agency's future success and represents a critical step in delivering UI services to customers.
- 2.6.2 The preferred solution will draw on recent UI system implementation successes by the offeror (or a subcontractor the offeror proposes for the project) within the last 60 months based on available UI frameworks, Commercial Off-the-Shelf (COTS) software, and other viable products configured and implemented to satisfy the state's RFP requirements.
- 2.6.3 It is highly desirable that the proposed solution will implement the benefits-related Development Initiatives (refer to Section 5) as early in the project as possible.

## **2.7 Problem Statement:**

- 2.7.1 Existing legacy applications do not contain necessary or sufficient functionality to properly support Missouri's UI operations. Workarounds, including manual databases, tabulations, spreadsheets, tickler lists, and desk procedures, have been put into place to keep up with changes.
- 2.7.2 Over the past 40 years, the state's legacy UI systems were modified and patched to accommodate changing business rules in support of new federal and state mandates.
- 2.7.3 The core UI legacy system is mainframe-based with Virtual Storage Access Method (VSAM) as the primary data storage environment. Within the last 10 years, there have been thousands of system discrepancies reported and code enhancements requested to the UI applications, with a current backlog of 275+ requests.
- 2.7.4 More recently, major add-on components [e.g., online contribution and wage (CW) reporting and online claims filing] were implemented to provide better services to employers and claimants. The agency's customers continue to request additional self-service functionalities that the state is unable to provide in an efficient and timely manner.



2.7.5 The following are examples of problems with the legacy system:

- a. Problematic to enhance or modify, and system maintenance requires extensive programming to incorporate changes and requires multiple days to update and refresh data
- b. Significant part of the system's processing is performed in batch mode overnight, lessening responsiveness and timeliness to customers
- c. Offers minimum self-service functionality
- d. Not customer-centric
- e. Does not embrace business intelligence (e.g., flow of screens based on previous answers; making determinations; etc.)
- f. Availability of and accessibility to data for reporting and history purposes is limited
- g. Data resides on different storage devices, requiring multiple logins, and does not effectively align with business needs and service delivery requirements
- h. Applications have been continually updated because of mandated legislative and USDOL changes, which has made the system difficult to maintain from a programming perspective
- i. Applications require a significant amount of specialized knowledge to use and maintain, which increases the time it takes to train new staff and attain proficiency (e.g., extensive codes, batch types, number of screens, etc.)
- j. Cost of maintaining the applications is extremely high due to the complexity of the data structures and code constructs
- k. Paper-intensive
- l. Minimal automated workflow
- m. Redundant processes and entry of data
- n. Employer account number structure (i.e., number changes often, logic built into number, and numbers have to be reused due to lack of numbers available)

2.7.6 The state needs to leverage technology that is driven by business needs and requirements and streamlined, re-engineered processes. Use of modern technology will allow Missouri to better respond to federal and state mandates, avoid costly system maintenance, increase staff productivity, and improve customer service, making the agency's processes and functions more efficient and effective.

## **2.8 Background Information:**

2.8.1 General background information about the agency is contained in the Official Manual, State of Missouri, 2009--2010, published by the Secretary of State (SoS), which can be found on the Internet at: [www.sos.mo.gov/BlueBook](http://www.sos.mo.gov/BlueBook). Select 'Chapter 6 Executive Departments' then 'Department of Labor and Industrial Relations' then scroll down to the section titled 'Division of Employment Security.' Further information can be found on the agency's website at: [www.labor.mo.gov/des](http://www.labor.mo.gov/des).

2.8.2 The agency is charged with administering the Missouri Employment Security Law, Chapter 288, Revised Statutes of Missouri (RSMo), <http://www.moga.mo.gov/statutes/c288.htm>, and the rules and regulations applicable thereto, <http://www.sos.mo.gov/adrules/csr/current/8csr/8c10-4.pdf>. Review

<http://www.ows.doleta.gov/unemploy/statelaws.asp#Statelaw> for a comparison of state unemployment laws.

- 2.8.3 The purpose of the agency is to provide payment of UI benefits to workers who become unemployed through no fault of their own. To finance benefits to qualified claimants, the agency collects contributions (taxes) from Missouri employers. Each quarter, employers are required to report their workers' wages and pay contributions on the wages. Workers' wages are recorded and retained to determine monetary benefit entitlement should a worker file a claim for UI benefits. The contributions are set aside for the sole purpose of providing weekly unemployment benefits to qualified claimants. The benefits paid are charged on a pro-rata basis against the account(s) of the claimant's base period employer(s).
- 2.8.4 Eligible claimants can qualify for unemployment compensation under various programs [e.g., Regular Benefits, Disaster Unemployment Assistance (DUA), Extended Benefits (EB), Emergency Unemployment Compensation (EUC), Federal Additional Compensation (FAC), Unemployment Compensation for Federal Employees (UCFE), Unemployment Compensation for Ex-service Members (UCX), etc.]. The programs are financed by the Missouri unemployment compensation fund and/or the USDOL.
- 2.8.5 During the period January 1, 2009 – December 31, 2009, there were 134,927 active Missouri employers liable for providing unemployment insurance coverage who reported an average of 3,033,354 wage records per quarter and paid contributions of \$585 million. During this period, 648,638 new claims for unemployment benefits were filed and 5,071,872 weekly claims were filed, with an average of 18.4 weeks being claimed. The agency handled 1.3 million claimant telephone calls and paid \$1.71 billion in unemployment benefits. In addition, 41,466 appeals were filed. For more information, see <http://www.labor.mo.gov/DES/Forms/M-INF-149-AI.pdf>.
- 2.8.6 The UI program is a federal-state partnership based upon federal law, but administered by state employees under state law. A description of the program may be found at <http://www.workforcesecurity.doleta.gov/unemploy/pdf/partnership.pdf>. Costs for operating the agency and the major part of its programs are paid from federal grants. The grants are derived from federal payroll taxes paid by employers and are made available by congressional appropriations.
- 2.8.7 The USDOL requires the agency to prepare and submit unemployment insurance reports and administer other federally-required programs. Research the Employment and Training Administration (ETA) Handbooks at [http://wdr.doleta.gov/directives/ETA\\_Handbook.cfm](http://wdr.doleta.gov/directives/ETA_Handbook.cfm). It is an important goal of the agency to meet performance measures established by the USDOL, which monitors state performance on a quarterly basis. The measures are found at <http://ows.doleta.gov/unemploy/performance.asp>.
- 2.8.8 The UI program depends upon the accurate accounting of all functions. Separate funds and bank accounts are maintained by the agency (i.e., Unemployment Compensation Fund, Special Employment Security Fund, Unemployment Compensation Administration Fund, Clearing Account, Benefit Payment Account, UI Modernization Account, War on Terror Account). For information on unemployment rate and trust fund balance, see <http://www.labor.mo.gov/data>.
- 2.8.9 Each employer is assigned a separate account, which encompasses CW reports and payments due and received as well as benefits charged. A tax rate is assigned to an employer based on its contribution and benefit experience. A record is kept for each worker, which includes quarterly wages paid by employer(s), Social Security Number (SSN), name, etc. In addition, a record is maintained for each unemployment claim, which includes the claimant's benefit year (BY), weekly benefit amount (WBA), maximum benefit amount (MBA), type of benefits paid or overpaid, overpayments recovered, etc.
- 2.8.10 The agency has information sharing agreements and interfaces with several federal and state agencies [e.g., Internal Revenue Service (IRS), USDOL, Social Security Administration (SSA), Missouri SoS,

Missouri Lottery Commission, and the Missouri Departments of Revenue, Social Services, Health and Senior Services, Economic Development, Public Safety, etc.].

- 2.8.11 In Missouri, local career centers are operated and staffed by a separate state agency, the Division of Workforce Development (DWD), which is part of the Department of Economic Development (DED); see <https://www.missouricareersource.com>. UI claimant information is sent to the DED-DWD daily. Most claimants must report in-person every four (4) weeks to a local career center or they may be held ineligible to receive UI benefits. Claimants also report to the career centers for worker profiling and reemployment services. In addition, the agency exchanges Trade Adjustment Assistance (TAA) information with the DED-DWD.
- 2.8.12 The central office of the agency is located at 421 East Dunklin Street in Jefferson City, Missouri, which also contains the Jefferson City Regional Claims Center (RCC). Additional RCCs are located in Kansas City, Saint Louis, and Springfield, Missouri. Appeals staff is located in each RCC. Tax auditors are located in thirteen offices throughout Missouri. See attached organizational chart (Attachment 1).
- 2.8.13 The agency is currently organized into six sections: Employer Contributions, Contributions Field, UI Programs, Benefits, Appeals, and Quality Control. Below is a brief overview of each section.
- a. The Employer Contributions Section investigates matters pertaining to the liability of different types of employers (e.g., regular, reimbursable, professional employer organization, etc.). The section establishes and maintains an account for each employer, calculates tax rates, and makes successorship and other liability determinations. Employer Contributions processes quarterly CW reports, payments from employers, adjustments, refunds to employers, and benefit charges. CW reports and payments are filed by paper or via the Internet. The section also images tax documents and certifies amounts to the IRS, among other duties. Research <http://www.labor.mo.gov/des/employers> for details.
  - b. The Contributions Field Section audits employers' records; conducts investigations to ensure workers are reported properly; secures delinquent quarterly CW reports; and collects delinquent taxes using assessments, garnishments, payment plans, compromises, intercepts of income tax refunds, etc.
  - c. The UI Programs Section provides procedural instructions for processing all types of UI claims and oversees the RCCs through which unemployed workers file initial and weekly claims for unemployment compensation by telephone. In addition, the agency offers filing of unemployment claims via the Internet. The RCCs handle protests to claims from employers, adjudicate all types of claim issues, and generate monetary and non-monetary determinations. The UI Programs Section coordinates mass claim filing, labor disputes, DUA, worker profiling, Benefits Timeliness and Quality (BTQ) reviews, and director-approved training for claimants, among other duties. The section also coordinates Trade Readjustment Assistance (TRA) with the Missouri DED. Research <http://www.labor.mo.gov/des/claims> for details.
  - d. The Benefits Section facilitates the prompt payment of unemployment benefits to eligible claimants via direct deposit, debit card, or check as necessary. The section processes Combined Wage Claims (CWC) for unemployed workers who have wage credits in other states; UCFE; and UCX. Benefits Section handles child support withholding; SSN and alien verification; Form-1099s for claimants; paper claim forms; work search verifications and waivers; tax withholding requests; adjustments to claims; confidential information requests; and images documents for various divisions and sections within the agency. The section manages the shared work program, which pays a percentage of weekly unemployment benefits to employees of participating employers in exchange for reducing work hours and avoiding layoffs. Benefits Section also has a benefit payment control (BPC) unit to prevent, detect, and recover improper payments.

- e. The Appeals Section hears appeals to administrative determinations issued by deputies of the agency. Both claimants and employers have the right to appeal any written determination made by the agency. A hearing is held after notifying interested parties of the scheduled date and time. Hearings are conducted by impartial referees and may be held over the telephone or in-person at the agency's office in Jefferson City, Kansas City, Saint Louis or Springfield. The Appeals Tribunal issues a decision after the hearing, and a copy of the decision is mailed to each interested party. The decision becomes final unless an application for review of the decision is filed with the Missouri Labor and Industrial Relations Commission (LIRC) within 30 days from the date the referee's decision is mailed. Research <http://www.labor.mo.gov/des/appeals> for details.
- f. The Quality Control Section is responsible for federally-mandated programs that check the accuracy of the agency's work functions, such as the Tax Performance System (TPS) and Benefit Accuracy Measurement (BAM), and the accuracy of the agency's reporting through Data Validation (DV). It is also responsible for preparing and submitting USDOL-required reports and grant applications; coordinating corrective action plans; responding to fiscal notes; preparing trust fund projections; assisting with budget planning; and ensuring Missouri's UI system is in compliance with federal law and policy.

2.8.14 See current process flow diagrams for each section in Attachment 2. The DES is currently allocated 777 staff positions, which includes 576 full-time and 201 part-time, emergency, and temporary positions.

## 2.9 Current System Overview:

- 2.9.1 The UI program consists of multiple independent but integrated IT applications working together to perform the UI functions. These IT applications are hosted on different hardware platforms in a number of separated buildings located throughout Missouri. IT services for the agency are provided by the ITSD, which is a division of the Office of Administration (OA). ITSD also has responsibility for the wide area network (WAN) and local area network (LAN) communications services that support UI operations.
- 2.9.2 The agency participates in an exchange of claimant/claim information with other states as well as federal agencies via the Interstate Connection Network (ICON) system maintained by Affiliated Computer Services (ACS). The agency's ICON router connection is located in the State Data Center (SDC) at 301 West High Street, Jefferson City, Missouri.
- 2.9.3 An explanation of how the agency gathers, stores, uses, and shares data is provided in the current data strategy in Attachment 3.
- 2.9.4 **Application Systems Providing UI Services:** The distributed IT environment maintained and operated by the state supports the following UI program application systems.
  - a. **Mainframe Resident Systems:** The mainframe hosts the UI databases and the UI software that implement tax, benefits, and appeals applications and statistical reporting. The UI staff access the UI mainframe functions and data via Customer Information Control Systems (CICS) screens. Each staff member has access to only the CICS transactions that he or she needs to perform his or her job.
  - b. **Unemployment State Tax Automated Reporting (USTAR) System:** The USTAR system is a secure web-based application that allows Missouri businesses to electronically file quarterly CW reports; make payments; update records; and/or submit an electronic file transfer over the Internet. For quarterly CW report filing, USTAR automatically calculates the total, excess, and taxable wages and contributions, interest, and/or penalty due. Users of the system may also submit an electronic funds transfer (ACH Debit) from a checking account. The USTAR system gathers and edits data entered by the employer representative and interfaces with the mainframe computer to process the data in the same manner as data entered into the mainframe system. The USTAR system was acquired through contract C202063001 with the primary contractor of Ciber, Inc.

- c. **Employer Relations File (ERF) System:** The ERF system contains notes associated to employer accounts for history tracking and internal user review. The ERF system was developed with in-house staff.

<b>PARAGRAPH REVISED BY AMENDMENT #003</b>
--

<b>PARAGRAPH REVISED BY AMENDMENT #002</b>
--

- d. **IBM Workfolder Application Facility (WAF) Imaging System:** The imaging system stores and displays scanned and/or imported documents received from and sent to employers and claimants. The agency currently scans/imports 4,000,000 documents per year and has 250 active DocTypes in the WAF system. The DocTypes have one (1) to three (3) index fields with an average of two (2) index fields per document. *The average size of each document is 300 KB and 1.7 pages. There are no annotations on the documents entered into the WAF system.* The imaging system also includes some work queue functionality. The WAF Imaging System was originally developed through a contract with the primary contractor of IBM. Many updates have been completed to the system with in-house staff.
- e. **State Unemployment Tax Act (SUTA) Dumping Detection System (SDDS):** The SDDS tracks the movement of workers from one employer account to another for purposes of detecting attempts by employers to pay lower state unemployment taxes than their experience rate allows. The SDDS was developed by the state of North Carolina in conjunction with the USDOL and implemented by in-house staff.
- f. **Field Audit Computer Tax System (FACTS) 2002 Access Program:** The mainframe downloads data to the FACTS 2002 Access program to be used during an employer audit. The FACTS 2002 system was developed with in-house staff.
- g. **Online Claims Filing System:** Missouri's Online Claims Filing System is a secure web-based application that allows claimants to file new, renewed, or weekly UI claims; view claim status; change address; and check debit card balance via an interface to the banking institution. The Online Claims Filing System gathers and edits data entered by the claimant and interfaces with the mainframe computer to complete the claim process in the same automated manner as all other claims data that is entered into the mainframe system. The Online Claims Filing System was developed with in-house staff.
- h. **IVR System:** The IVR system allows a claimant to file new, renewed, or weekly UI claims; check claim or appeal status and debit card information; change address or Personal Identification Number (PIN); speak to a representative; obtain instructions; etc. The IVR system also allows employers to obtain and provide information regarding claims filed. The IVR system gathers and edits data entered by the claimant and interfaces with the mainframe computer to complete the claim process in the same automated manner as all other claims data that is entered into the mainframe system. The IVR system was originally purchased and enhanced through a contract. Many updates have been completed to the system with in-house staff.

<b>PARAGRAPH REVISED BY AMENDMENT #003</b>
--

<b>PARAGRAPH REVISED BY AMENDMENT #002</b>
--

- i. **Electronic Folders System/IBM Content Manager (CM) Imaging System:** The Electronic Folders system (e-Folders) is a custom system that interfaces with the CM imaging system. e-Folders allows hardcopy documents and notes to be readily available to all staff. This is particularly relevant for information gathered by and for the RCCs. Images are also imported directly from faxes, word processing, and mainframe print files. Many documents utilize bar coding and mark sensing for automatic indexing, and some manual indexing is performed. Several imaged documents also utilize Optical Character Recognition (OCR) for capture of data as input to back-end mainframe applications. Some documents imaged and stored in CM trigger workflow notifications to the RCCs. Through the use of custom programming, e-Folders is integrated with UI mainframe

applications to provide additional functionality interactively. The agency currently scans/imports 1,700,000 documents per year and has 27 index classes in the e-Folders system. The index classes have one (1) to six (6) index fields with an average of three (3) index fields per document. *The average size of each document is 300 KB and 1.7 pages. Approximately twenty percent (20%) of the documents entered into the e-Folders system contain annotations.* The e-Folders system was acquired through contract C206048002 with the primary contractor of Huber & Associates, Inc. and subcontractor of Twinstar, Inc.

**PARAGRAPH REVISED BY AMENDMENT #003**

- j. **AutoCoder/OccuCoder:** AutoCoder/OccuCoder is a commercially-available system that accurately and consistently assigns occupational codes to job titles of workers filing an initial, renewed, or reopened unemployment claim. The UI program applications (mainframe and Internet) utilize a Web Service to query the AutoCoder/OccuCoder database for searching and matching job titles. The assigning of occupational codes at the time of claim filing assists in the re-employment process with DED. The AutoCoder system was developed by the Information Technology Support Center (ITSC) and implemented through contract C206014001 with the primary contractor of Rose International. *ITSC's software application OccuCoder v1.0 was installed in 2010 to utilize the O\*NET.SOC taxonomy and to seamlessly fit into the current Web Service coding and UI application.*
- k. **DUA Access Database:** The DUA Access database retains information related to disaster relief claims, and the information is uploaded to the mainframe to be processed. The DUA Access database was developed with in-house staff.
- l. **RCC Daily Reports Access Database:** The mainframe produces files that are downloaded to the RCC Daily Reports Access database to provide phone activity and non-monetary determination activity of each RCC staff member. The RCC Daily Reports Access database was developed with in-house staff.
- m. **Overpayment Documents:** Data regarding certain benefit overpayments are stored in Word files and uploaded to the mainframe utilizing Visual Basic (VB). The overpayment documents were developed with in-house staff.
- n. **Mass Claims System:** The Mass Claims System accepts files from employers that lay off a large number of workers and e-mails the files to agency staff who upload the files to the mainframe to process claims for the workers. The Mass Claims System was developed with in-house staff.
- o. **Various Access Databases, Word Documents and Excel Spreadsheets:** Information not easily retrieved from the mainframe is tracked and reported for management purposes by using Access, Word and/or Excel. The various Access databases, Word documents, and Excel spreadsheets were developed with in-house staff.

2.9.5 **IT Infrastructure:** The IT infrastructure that supports the UI services consists of mainframe, servers, workstations, IVRs, and other assorted IT equipment. These elements are bound together in a tightly coupled architecture. See current architecture and data flow diagrams in Attachment 4.

- a. **Mainframe:** The mainframe computing environment is part of the SDC. It includes one (1) IBM 2064-1C8 system and one (1) IBM 2084-307 system. Storage capability includes a Direct Access Storage Device (DASD) subsystem with Redundant Array of Independent Disks (RAID) 5 technology and a tape subsystem. The mainframe infrastructure includes six (6) Enterprise Systems Connection (ESCON) Directors. The mainframe software environment includes over one hundred products, such as z/OS, CICS, VSAM, and IBM DB2.
- b. **Servers:** The agency's servers are housed at its central office facility.

The primary image system and e-Folders system run on the IBM System i (AS/400, iSeries) server.

The USTAR and Online Claims Filing System web applications use WebSphere Application Server for Windows 6.1, Windows Server, and Internet Information Services (IIS) v6. These web applications are Java applications that use Java Server Pages (JSP), Java Servlets, and Java Beans. JavaScript is used for editing, and IBM Rational Application Developer is used as the development tool. The USTAR and Online Claims Filing System web applications use IBM MQ Series v6 software to exchange data with the mainframe CICS programs. The USTAR application also uses IBM DB2 v9.5 and Struts software.

Mass claims submitted through the Internet run on Windows Server and IIS. SoftArtisans' FileUp software is used for file transfer.

The agency's servers are all Windows machines. The Intranet and Internet servers run MS Windows 2003 SP2. Other software appropriate to the function of the server is also installed (e.g., IIS for web servers, DB2 for database servers, IBM iSeries Access for Windows to allow access to AS/400 data sources, and SoftArtisans FileUp v5.1.14 to support the filing of mass claims).

- c. **Workstations:** The workstation operating system is Windows XP. IBM Personal Communications software is installed on workstations to provide 3270 terminal emulation for accessing the mainframe. Both IBM ImagePlus Workstation Program (IWPM) and IBM CM software are used on the agency staff machines for display, print, and processing of image documents.

The state currently uses Parasoft's WebKing product for regression testing, automated testing, etc.

- d. **IVR Support:** Each RCC in Jefferson City, Kansas City, Saint Louis, and Springfield contains multiple standalone IVR systems. The IVRs connect directly to the Public Switched Telephone Network (PSTN) using channelized T1 Primary Rate Interface (PRI) circuits. The traffic across RCC-to-PSTN circuits is strictly voice calls and the call never leaves the IVR, but may be transferred to another number back through the PSTN.

Call handling for the RCCs is managed by the Cisco Call Manager and Internet Protocol Contact Center (IPCC) systems located in Jefferson City. The Cisco Call Manager and IPCC systems are comprised of several servers in redundant clusters that are housed at the SDC and the agency's central office. These servers provide call management and control for the call flow going into the RCCs. The Cisco 3845 router/gateway at the RCC communicates with the Cisco Call Manager and IPCC systems to determine call handling. The IPCC systems use the local router/gateway to route calls, queue calls on hold, and provide messages to callers on hold. IVR callers also have the ability to request a call back with the Cisco courtesy call back option within the IPCC system.

#### PARAGRAPH REVISED BY AMENDMENT #003

- e. **Other IT Support Elements:** Imaged documents are stored in Mixed Object: Document Content Architecture (MO:DCA) and Tagged Image File Format (TIFF) to a shared disk array via the Storage Area Network (SAN) and native iSeries Disk. Documents in e-Folders are stored in TIFF to native iSeries Disk. Kofax Ascent Capture uses Bell and Howell 8000 Series Spectrum scanners for front-end image capture in the imaging and e-Folders systems. *The agency currently uses Kofax for importing faxes into Content Manager. Barcodes read from faxes by Kofax have a ninety percent (90%) accuracy rate for extracting index information. Existing barcodes contain all the information needed to automatically index the documents.*
- f. **Network Environment:** The agency's central office serves as the hub for UI network communications to the SDC, three RCCs, and external entities, such as field auditor locations, other agencies, etc.



Remote access, mail, proxy, and other servers that support UI operations are located at the agency's central office and the SDC. The agency's private LAN at the central office connects to the SDC through two (2) routes: an Embarq Metropolitan Area Network (MAN) and SDC fiber. The agency's private LAN access to the Embarq MAN and SDC fiber is controlled by a Cisco Application Security Appliance (ASA) private firewall at the central office.

The SDC provides a single Internet access point that serves all the agency's locations. All Internet traffic to and from each agency location passes through the central office and is routed to the SDC through the central office SDC fiber connection. This configuration requires that all agency Internet traffic pass through two firewalls. One firewall is located at the agency's central office, and one firewall is located at the SDC. A second firewall at the agency's central office provides access to the agency's public and private de-militarized zones (DMZ).

The agency's RCCs in Kansas City, Saint Louis, and Springfield all connect to the agency's central office through T1 Point-to-Point (PTP) circuits. A Cisco 3845 router provides the inbound/outbound access point at each site. Voice over Internet Protocol (VoIP) call traffic among the RCCs is carried on these T1 PTP circuits, which are the agency's private WAN links. Each of the circuits terminates into a Cisco 3845 router/gateway that manages the VoIP calls. These circuits are only used for voice call traffic, and no data is sent through these circuits.

Outgoing calls between the RCCs, or to non-IP phones, are routed out to the PSTN. For these calls, the Cisco 3845 router/gateway performs the necessary translations between the PSTN and VoIP systems.

- 2.9.6 Although an attempt has been made to provide accurate and up-to-date information, the state does not warrant or represent that the background information provided herein reflects all relationships or existing conditions related to this RFP.

## **2.10 Exhibits/Attachments:**

- 2.10.1 The offeror is advised that exhibits and/or attachments exist to this document, which require the offeror to provide requested information and pricing and/or provide additional information and instruction to the offeror. These exhibits and/or attachments are not provided within this document but instead must be downloaded from the State of Missouri website. Please refer to <https://www.moolb.mo.gov>. The exhibits and/or attachments shall be separate downloadable documents located on the same web page where the RFP B2Z11028 document is downloadable. It shall be the sole responsibility of the offeror to obtain the exhibits and/or attachments. The offeror shall not be relieved of any responsibility for performance under the contract due to the failure of the offeror to obtain copies of the exhibits and/or attachments.
- 2.10.2 Failure of the offeror to submit an exhibit may result in minimal consideration in the evaluation of the offeror's proposal and may result in rejection of the proposal. Refer to Section 1, Table of Contents, for a complete listing of exhibits.

## **2.11 Definitions:** The following definitions shall apply throughout this document:

- 2.11.1 **Acceptance/Approval** shall mean the state's acceptance/approval of a deliverable, change request, etc.
- 2.11.2 **Agency** shall mean the Department of Labor and Industrial Relations (DOLIR) and DOLIR – Division of Employment Security (DES).
- 2.11.3 **Agent** shall mean any third party independent agent of any external user.
- 2.11.4 **Authorized User** shall mean a user with authority to access or update certain data based on security roles assigned to the user.



- 2.11.5 **Bar Code** shall follow CODE 39 Bar Code Format (also known as 3 of 9). This format has become the standard for government, manufacturing, bar code industry, education, and business applications.
- 2.11.6 **Bridge** shall mean a mechanism built to synchronize data on a regular basis between the new system and legacy systems.
- 2.11.7 **Change Control Plan** shall mean managing Change Requests during the project.
- 2.11.8 **Change Management** shall mean defining and implementing procedures and/or technologies to deal with changes in the business or system environment. The change management plan shall include procedures for at least three different aspects: adapting to change, controlling change, and effecting change.
- 2.11.9 **Change Request** shall mean a formal, written request for a change or adjustment in some aspect of the project that has been base-lined, such as scope, requirements, schedule, budget, or documents. All change requests will be reviewed for approval or denial on a regular basis by the Project Manager/Project Sponsor and by the Steering Committee as necessary. Change requests that affect the contract terms, conditions, or provisions must be accomplished through a formal contract amendment through the OA DPMM. Approved change requests that result in a cost adjustment must be accomplished through a formal Project Assessment Quotation (PAQ) through the OA DPMM.
- 2.11.10 **Clock Hour** shall mean a consecutive 60-minute period of time.
- 2.11.11 **Common Paymaster** shall mean two (2) or more related corporations in which one (1) of the corporations has been designated to disburse remuneration to concurrently employed individuals of any of the related companies, per Section 288.090, RSMo.
- 2.11.12 **Customer** shall mean an individual or business that interacts with the system or agency.
- 2.11.13 **Defect or Error** shall mean a production problem, which, if not corrected, could cause an application to either fail, not meet performance response times required in the RFP, or to produce incorrect results. Incorrect results include the absence of functionality that was specified in the approved design specifications, approved business rules, and system requirements as defined in the project.
- 2.11.14 **Demonstration** shall mean an in-person exhibition of the offeror's proposed UI solution. This must include an end-to-end demonstration of live data being entered and viewing of results in the proposed UI solution.
- 2.11.15 **Design Specification** shall mean documentation that provides precise and explicit information about the business rules and requirements for the system. A design specification provides in-depth detail about the functional, technical, and design requirements including assumptions, constraints, performance, dimensions, weight, reliability, and standards.
- 2.11.16 **Development System** shall mean a system to be used by developers to build the code and do initial testing at the agency's site. It must run under its own environment and utilize a development database with limited test records.
- 2.11.17 **Documentation** shall mean formal written information provided by the contractor to the maintainers of the system that will provide the state sufficient information to operate, diagnose, and maintain the system properly, safely, and efficiently.
- 2.11.18 **Employee leasing** shall mean an employer [Professional Employer Organization (PEO)/lessor] providing employees to other entities (client lessees). In Missouri, the PEO/lessor is liable for contributions due on the wages paid to the employees leased. If the PEO/lessor does not financially

guarantee payment of contributions (e.g., with a surety bond, securities, letter of credit, certificate of deposit, etc.), the PEO/lessor must report the employees it leases to each client lessee on separate quarterly CW reports, and the client lessees shall be jointly and severally liable for any unpaid contributions, interest, and penalties attributable to their business.

- 2.11.19 **Enhancement** shall mean a state-requested change to the application from the mandatory technical, functional, and performance requirements described in this RFP and in the specifications determined at the time of design and development, which is determined by the state to be out-of-scope.
- 2.11.20 **Environment** shall mean a collection of hardware, software, network communications, and procedures that work together to provide a discrete type of computer service. There may be one or more environments on a physical platform (e.g., test, development). An environment has unique features and characteristics that dictate how they are administered in similar, yet diverse, manners.
- 2.11.21 **External User** shall mean all public users of the system including employers, claimants, agents, and other agencies.
- 2.11.22 **Integration Test** shall mean the activity of software testing in which individual software modules are combined and tested as a group. As input modules have been unit tested, they are grouped into larger aggregates and tests are applied as defined in an integration test plan to those aggregates, delivering as its output the integrated system ready for system testing.
- 2.11.23 **Interface** shall mean a mechanism built into the system to transfer data in a supported format to or from another system.
- 2.11.24 **Internal User** shall mean all DOLIR, DOLIR-DES, and ITSD-DOLIR staff with a security role to access the system.
- 2.11.25 **Issue** shall mean any item that could potentially impact the operation of the system that requires a resolution. Examples include alteration of business rules and processes, law changes, court decisions, system defects, incomplete requirements, etc. Issues can be reported at all stages of the project. All issues are prioritized, and production issues shall be assigned a severity level.
- 2.11.26 **Joint Account** shall mean a joint common experience rating account of any employer with one or more other employers.
- 2.11.27 **Legacy System** shall mean an application that is currently in production.
- 2.11.28 **Load Test** shall mean a test of a computer system and its applications by running under a full load of transactions or users. A load test can be real or simulated by testing software.
- 2.11.29 **May** means that a certain feature, component, or action is permissible, but not required.
- 2.11.30 **Metadata** shall mean how and when and by whom a particular set of data was collected, and how the data is formatted.
- 2.11.31 **Module** shall mean a collection of programs that perform a specific function of the application.
- 2.11.32 **Multi-tier Architecture** shall mean a client-server architecture in which the presentation, the application processing, and the data management are logically separate processes.
- 2.11.33 **Must** means that a certain feature, component, or action is a mandatory condition.
  - a. The offeror's proposal response shall not take exception to or conflict with the mandatory requirements of the RFP (denoted by the words "must" and "shall").

- b. Failure to fulfill mandatory requirements shall make the offeror's proposal response to be considered unacceptable and thus may result in the proposal response no longer being given consideration in the evaluation process. The State of Missouri shall not award a noncompliant proposal.
- 2.11.34 **Online Help** shall mean online documentation of a component of a software program that explains the features of the program and helps the user understand its capabilities. Online help shall be an application feature that displays content about the application functionality and navigation through the application.
- 2.11.35 **Phase** shall mean a group of related tasks that produce deliverables within a time frame that are implemented into production at the same time.
- 2.11.36 **Platform** shall mean the underlying computer system on which the software application programs run.
- 2.11.37 **Presentation** shall mean an in-person illustration of the offeror's proposed UI solution. This must include an end-to-end display of mocked data (e.g., Microsoft PowerPoint).
- 2.11.38 **Priority Level** shall mean the order in which the defect, error, or issue is to be resolved. See Severity (Priority) Level.
- 2.11.39 **Product** shall mean a deliverable, system, or any other software or web application-related item provided by the contractor to the State of Missouri.
- 2.11.40 **Production System** shall mean the primary system to be used in production at the agency's site to process the organization's daily work. It must run in its own environment, utilize production network connections, and provide full redundancy.
- 2.11.41 **Project Management Best Practices** shall mean the standardized project management methodology that the State of Missouri follows. For a description and glossary of project management terms, see <http://oa.mo.gov/itsd/cio/projectmgmt/projectmgmtrefmanual.htm>.
- 2.11.42 **Real Time** shall mean an activity occurs now instead of being delayed until a later time.
- 2.11.43 **Regression Test** shall mean rerunning test cases, which a program has previously executed correctly, in order to detect errors spawned by changes or corrections made during software development and maintenance. Regression testing must be performed with automated testing tools.
- 2.11.44 **Release** shall mean the distribution of a new product or new function and program fixes based on or for an existing product. Such software releases shall be provided to the state at no additional cost during the warranty period.
- 2.11.45 **RSMo (Revised Statutes of Missouri)** refers to the body of laws enacted by the legislature, which govern the operations of all agencies of the State of Missouri. Chapter 34 of the statutes is the primary chapter governing the operations of the DPMM. Chapter 288 of the statutes governs operations of the DES.
- 2.11.46 **Security Role** shall mean the privileges granted to users or groups to create, read, update, or delete data in specific areas of the system.
- 2.11.47 **Severity (Priority) Level** shall refer to the circumstances in which the agency shall assign the severity level and prioritize (rank) the defects, errors, or issues discovered during the testing or warranty periods when reporting a particular defect, error, or issue to the contractor for the purpose of classifying the urgency/criticalness to the agency's business operations. The Severity Levels shall be defined as follows:

- a. Severity Level 1 (Urgent) shall be defined as a critical system component(s) that is unable to be used by internal and/or external users. Failure causes loss of function or data, and there is not a mutually agreed-upon workaround.
- b. Severity Level 2 (High) shall be defined as a critical system component(s) that has significant outages and/or failures precluding its successful operation, or producing incorrect results, or possibly endangering the agency's environment. The system may operate but is severely restricted. Failure causes a loss of function or data, but there is a mutually agreed-upon workaround.
- c. Severity Level 3 (Medium) shall be defined as a minor problem that exists with the system, but the majority of the functions are still usable and some circumvention may be required to provide service. Failure causes a partial loss of function, but users can accomplish tasks with a mutually agreed-upon workaround.
- d. Severity Level 4 (Low) shall be defined as cosmetic and minor errors (e.g., grammar errors, color changes, misspelled words, layout, etc.); all the user tasks can still be accomplished.

2.11.48 **Shall** has the same meaning as the word must.

2.11.49 **Shared Work** shall mean the program that allows an employer to divide the available work or hours of work among a specified group of affected employees in lieu of a layoff, and it allows the employees to receive a portion of their unemployment benefits while working reduced hours.

2.11.50 **Should** shall mean that a certain feature, component, and/or action is desirable but not mandatory. NOTE: meeting desirables is usually given a positive consideration in the subjective evaluation.

2.11.51 **Software** shall mean an ordered series of instructions or statements, in object code and/or source code form, as the case may be, for controlling the operation of a central processing unit to execute a process to be performed on a computer or central network system provided by a contractor to the state pursuant to the contract.

2.11.52 **State Intellectual Property** shall mean that all documents, data, reports, supplies, equipment, source code, and accomplishments prepared, furnished, or completed by the contractor pursuant to the terms of the contract shall become the property of the State of Missouri.

2.11.53 **Subcontractor** shall mean a third party, not directly employed by the contractor, who will provide services identified in this RFP. This does not include third parties who provide support or incidental services to the contractor.

2.11.54 **Subject Matter Expert (SME)** shall mean internal staff members that are knowledgeable in the business processes and rules of a particular subject area.

2.11.55 **System** shall mean the hardware, software, and applications utilized to support UI services.

2.11.56 **System Architecture** shall mean the conceptual design that defines the structure and/or behavior of a system.

2.11.57 **System Testing** shall mean the testing of software or hardware conducted on a complete, integrated system to evaluate the system's compliance with its specified requirements. System testing shall test not only the design, but also the behavior and even the believed expectations of the customer.

2.11.58 **Test Cases** shall mean documentation comprised of the test scripts defining the activities and operations to be tested, usually based on a design specification.

2.11.59 **Test Scripts** shall mean the actual steps to be taken during user acceptance testing.

- 2.11.60 **Test System** shall mean a system that is set up to be used by developers and end users for testing of code at the agency's site before it goes into production. It must run in its own environment, utilize a separate test database instance from the development system, and contain a more robust set of data than the development system.
- 2.11.61 **Third Party Software** shall mean software provided by the contractor to the state as part of the system solution that the contractor does not own the intellectual property to but is licensed to distribute or utilize.
- 2.11.62 **Transitional Claim** shall mean a claim filed to request a determination of eligibility and establishment of a new benefit year having an effective date within the seven (7) day period immediately following the benefit year ending date and a week for which compensation or waiting week credit was claimed.
- 2.11.63 **Unit Test** shall mean testing conducted to verify the implementation of the design for one software element (e.g., a unit) or a collection of software elements.
- 2.11.64 **Upgrade** shall mean any improvement or change in the software that improves or alters its basic function but does not require a separate license. Upgrades shall be inclusive of all new releases. Such software upgrades shall be provided to the state at no additional cost during the warranty period.
- 2.11.65 **User** shall mean all individuals, both internal and external, who access the system.
- 2.11.66 **User Acceptance Test (UAT)** shall mean the process to obtain confirmation by an approved SME from the agency that the system meets mutually agreed-upon requirements.
- 2.11.67 **Version** shall mean a separate licensed program, based on an existing licensed program, that has significant new code representing a major addition in functionality and/or the look or use of a product. Such software versions shall be provided to the state at no additional cost during the warranty period.
- 2.11.68 **Warranty Period** shall mean a period of time defined in the contract, after the contractor completes the phase or project and the state accepts it, during which time the contractor must provide maintenance, upgrades, versions, and releases to the state. See Section 4.17 for warranty period time frames.
- 2.11.69 **Workaround** shall mean a method for achieving a task or goal when the usual or planned method is not working due to a defect, error, or issue. A workaround may require more time or user inconvenience to complete the task. A mutually agreed-upon workaround is a workaround that both the contractor and the state agree can be completed with an acceptable increase in time or user inconvenience. A workaround is often used to overcome hardware, programming, or communication problems. The contractor shall be required to fix the defect, error, or issue within a reasonable time period as agreed to between the state and the contractor, and once the defect, error, or issue is fixed, the workaround shall be abandoned/no longer needed.

<b>PARAGRAPH ADDED BY AMENDMENT #001</b>
--

- 2.11.70 **Steering Committee** shall mean a committee composed solely of state staff.

**NOTE:** Please refer to State of Missouri Terms and Conditions, Section 1, found at the end of this document for further definitions/terminology that apply to the RFP.

<b>TABLE REVISED BY AMENDMENT #001</b>
--

**2.12 Acronyms:**

Acronym	Description
AC	Actual Cost

Acronym	Description
ACH	Automated Clearing House
ACS	Affiliated Computer Services
AJAX	Asynchronous JavaScript and XML
API	Application Programming Interface
ASA	Application Security Appliance
ATAA	Alternative Trade Adjustment Assistance
BAFO	Best And Final Offer
BAM	Benefit Accuracy Measurement
BI	Business Intelligence
BPC	Benefit Payment Control
BPM	Business Process Management
BTQ	Benefits Timeliness and Quality
BY	Benefit Year
CA	Computer Associates
CICS	Customer Information Control System
CM	IBM Content Manager
CMIS	Content Management Interoperability Services
CoReg	Online Business Registration system with Missouri Department of Revenue
COTS	Commercial Off-the-Shelf
CPA	Certified Public Accountant
CRUD	Create, Read, Update, and Delete
CSR	Code of State Regulations
CVS	Concurrent Versions System
CW Report	Contribution and Wage Report
CWC	Combined Wage Claim
DASD	Direct Access Storage Device
DBA	Database Administrator
DDL	Data Definition Language
DED	Department of Economic Development
DES	Division of Employment Security
DESE	Department of Elementary and Secondary Education
DHSS	Department of Health and Senior Services
DMD	Digital Media Developers
DMZ	De-Militarized Zones
DOB	Date of Birth
DOLIR	Department of Labor and Industrial Relations
DOR	Department of Revenue
DPMM	Division of Purchasing and Materials Management
DS3	Digital Signal 3
DSS	Department of Social Services
DUA	Disaster Unemployment Assistance
DV	Data Validation
DWC	Division of Workers' Compensation
DWD	Division of Workforce Development
EB	Extended Benefits
EDI	Electronic Data Interchange
e-Folders	Electronic Folders
EFT	Electronic Funds Transfer
ERF	Employer Relations File
ERP	Eligibility Review Program
ESCON	Enterprise Systems Connection
ETA	Employment and Training Administration

Acronym	Description
ETL	Extract, Transform, Load
EU	Employing Unit
EUC	Emergency Unemployment Compensation
EV	Earned Value
FAC	Federal Additional Compensation
FACTS	Field Audit Computer Tax System
FCCC	Federal Claims Control Center
FEDS	Fictitious Employer Detection System
FEIN	Federal Employer Identification Number
FEMA	Federal Emergency Management Agency
FICA	Federal Insurance Contributions Act tax
FOB	Free On Board
FTE	Full-Time Employee
FUTA	Federal Unemployment Tax Act
HADR	High Availability Disaster Recovery
HTTPS	Hypertext Transfer Protocol Secure
IB	Interstate Benefits
ICON	Interstate Connection Network
ICR	Intelligent Character Recognition
ID	Identification
IIRIRA	Illegal Immigration Reform and Immigrant Responsibility Act
IIS	Internet Information Services
INA	Immigration and Nationality Act
INS	Immigration and Naturalization Service
IP Address	Internet Protocol Address
IPCC	Internet Protocol Contact Center
IRS	Internal Revenue Service
IT	Information Technology
ITSC	Information Technology Support Center
ITSD	Information Technology Services Division
IV & V	Independent Verification and Validation
IVR	Interactive Voice Response
IW	Insured Worker
IWPM	IBM Image Workstation Program
JSP	Java Server Pages
LAN	Local Area Network
LDAP	Lightweight Directory Access Protocol
LIRC	Labor and Industrial Relations Commission
LMI	Labor Market Information
MAN	Metropolitan Area Network
MBA	Maximum Benefit Amount
MBE	Minority Business Enterprise
MERIC	Missouri Economic Research Information Center
MO:DCA	Mixed Object: Document Content Architecture
NAICS	North American Industry Classification System
NDNH	National Directory of New Hires
NIW	Non-Insured Worker
OA	Office of Administration
OCR	Optical Character Recognition
OCSE	Office of Child Support Enforcement
OEO	Office of Equal Opportunity
ORM	Object Relational Mapping

Acronym	Description
PACER	Public Access to Court Electronic Records
PAQ	Project Assessment Quotation
PDF	Portable Document Format
PIN	Personal Identification Number
PMI	Project Management Institute
POA	Power of Attorney
PRI	Primary Rate Interface
PSTN	Public Switched Telephone Network
PTP	Point-to-Point
PV	Planned Value
RAID	Redundant Array of Independent Disks
RCC	Regional Claims Center
REA	Reemployment Eligibility Assessment
RFP	Request for Proposal
RPG	Report Program Generator
RSMo	Revised Statutes of Missouri
SAM II	Statewide Advantage for Missouri II
SAN	Storage Area Network
SAVE	Systematic Alien Verification for Entitlements
SDC	State Data Center
SDDS	SUTA Dumping Detection System
SDNH	State Directory of New Hires
SEMA	State Emergency Management Agency
SFTP	Secure File Transfer Protocol
SIDES	State Information Data Exchange System
SME	Subject Matter Expert
SOC	Standard Occupational Code
SoS	Secretary of State
SQL	Structured Query Language
SSA	Social Security Administration
SSN	Social Security Number
Sun System	Federal Electronic Data Entry System (Sun Microsystems server)
SUTA	State Unemployment Tax Act
TAA	Trade Adjustment Assistance
TDS	Transcript Delivery System
TFS	Team Foundation Server
TIFF	Tagged Image File Format
TPA	Third Party Administrator
TPS	Tax Performance System
TRA	Trade Readjustment Assistance
UAT	User Acceptance Test
UCFE	Unemployment Compensation for Federal Employees
UCX	Unemployment Compensation for Ex-service Members
UI	Unemployment Insurance
URL	Uniform Resource Locators
USDOL	United States Department of Labor
USTAR	Unemployment State Tax Automated Reporting
VB	Visual Basic
VoIP	Voice over Internet Protocol
VPN	Virtual Private Network
VSAM	Virtual Storage Access Method
W3C	World Wide Web Consortium



Acronym	Description
WAF	IBM Workfolder Application Facility
WAN	Wide Area Network
WARN	Worker Adjustment and Retraining Notification
WBA	Weekly Benefit Amount
WBE	Women Business Enterprise
WBS	Work Breakdown Structure

### **3. CONTRACTUAL REQUIREMENTS**

This section of the RFP includes the general contract requirements and provisions that shall govern the contract after RFP award. The contents of this section include mandatory provisions that must be adhered to by the state and the contractor unless changed by a contract amendment. Response to this section by the offeror is not necessary as all provisions are mandatory.

#### **3.1 Contract:**

- 3.1.1 A binding contract shall consist of: (1) the RFP, amendments thereto, and any Best and Final Offer (BAFO) request(s) with RFP changes/additions; (2) the contractor's proposal including any contractor BAFO response(s); (3) clarification of the proposal, if any; and (4) the DPMM's acceptance of the proposal by "Notice of Award". All exhibits and attachments included in the RFP shall be incorporated into the contract by reference.
- a. A Notice of Award issued by the State of Missouri does not constitute an authorization for shipment of equipment or supplies or a directive to proceed with services. Before providing equipment, supplies, and/or services for the State of Missouri, the contractor must receive a properly authorized purchase order or other form of authorization given to the contractor at the discretion of the state.
  - b. The contract expresses the complete agreement of the parties, and performance shall be governed solely by the specifications and requirements contained therein. The State of Missouri shall not sign or execute any additional contract, license, support services, professional services, or other agreements provided by the contractor containing contractual terms and conditions as a result of this procurement.
  - c. Any change to the contract, whether by modification and/or supplementation, must be accomplished by a formal contract amendment signed and approved by and between the duly authorized representative of the contractor and the DPMM prior to the effective date of such modification. The contractor expressly and explicitly understands and agrees that no other method and/or no other document, including correspondence, acts, and oral communications by or from any person, shall be used or construed as an amendment or modification to the contract.

#### **3.2 Contract Period:**

- 3.2.1 The original contract period shall be date of award through five (5) years. The contract shall not bind, nor purport to bind, the state for any contractual commitment in excess of the original contract period. The DPMM shall have the right, at its sole option, to renew the contract for five (5) additional one-year periods, or any portion thereof. In the event the DPMM exercises such right, all terms and conditions, requirements, and specifications of the contract shall remain the same and apply during the renewal period, pursuant to applicable option clauses of this document.
- 3.2.2 If the option for renewal is exercised by the DPMM, the contractor shall agree that the prices for the renewal period shall not exceed the price for the applicable renewal period stated on the Exhibit A, Pricing Pages, of the contract.
- 3.2.3 If renewal period prices are not provided, then prices during renewal periods shall be the same as during the original contract period.
- 3.2.4 The DPMM does not automatically exercise its option for renewal based upon the renewal period prices and reserves the right to offer or to request renewal of the contract at a price less than the renewal period price stated.

**3.3 Price:**

- 3.3.1 All prices shall be firm, fixed, and as indicated in Exhibit A, Pricing Pages. The state shall not pay nor be liable for any other additional costs, including but not limited to taxes, shipping charges, insurance, interest, penalties, termination payments, attorney fees, liquidated damages, etc.

**3.4 Payments:**

- 3.4.1 The contractor shall understand and agree the state reserves the right to make contract payments to the contractor through electronic funds transfer (EFT). Therefore, prior to any payments becoming due under the contract, the contractor must return a completed state Vendor Input/ACH-EFT Application, which is downloadable from the Vendor Services Portal at: <https://www.vendorservices.mo.gov/vendorservices/Portal/Default.aspx>. Each contractor invoice must be on the contractor's original descriptive business invoice form and must contain a unique invoice number. The invoice number will be listed on the state's EFT addendum record to enable the contractor to properly apply state payments to invoices. The contractor must comply with all other invoicing requirements stated in the RFP.
- 3.4.2 The contractor may obtain detailed information for payments issued for the past 24 months from the State of Missouri's central accounting system (SAM II) on the Vendor Services Portal at <https://www.vendorservices.mo.gov/vendorservices/Portal/Default.aspx>.
- 3.4.3 Payment for all equipment, supplies, and/or services required herein shall be made in arrears with the exception that the State of Missouri may make advance deposits/payment for software maintenance (upgrades/new releases/technical support-type agreements) payments only (if applicable).
- 3.4.4 The contractor shall submit invoices to the following address:
- Director of Information Technology  
Department of Labor and Industrial Relations  
421 East Dunklin Street  
P.O. Box 59  
Jefferson City, Missouri 65104
- 3.4.5 The contractor shall understand and agree to the payment methodology detailed in Exhibit A for each phase of the system. Payments shall be made as indicated in Exhibit A upon successful completion and final acceptance of the deliverable item(s), with the exception of the payment holdback amounts. The contractor shall understand and agree that the payment holdback provisions described herein shall not be construed as a penalty.
- a. Ten percent (10%) of the total cost of each phase shall be held back. This payment holdback shall be paid upon the expiration of the 180-calendar day system integration warranty period of that phase if there is no outstanding Severity Level 1 or 2 defects, errors, or issues as defined in paragraph 2.11.47.
- b. In addition to the phase holdback, fifteen percent (15%) of the total cost of the total project shall be held back. This payment holdback shall be paid upon the expiration of the 180-calendar day system integration warranty period at the completion of the entire project. Failure to resolve or correct Severity Level 1 or 2 defects, errors, or issues as defined in paragraph 2.11.47 during this warranty period shall result in forfeiture of the payment holdback amount at the state's discretion.
- 3.4.6 All payments, however, shall be subject to the conditions listed in the subparagraphs below.

- a. In no event shall the total amount paid to the contractor for design and development services as described herein (in particular Sections 4 and 5 and any referenced Attachments and/or Exhibits) exceed the firm, fixed price stated on Exhibit A, Pricing Pages.
- b. For professional consultation and/or testimony after completion and acceptance of the contract project work, and if the contract is renewed for additional contract periods for testimony at public hearings and consultation services, the contractor shall be paid the applicable hourly rate stated on Exhibit A, Pricing Pages, for the number of hours of testimony at public hearings and/or consultation services provided.

### **3.5 Federal Funds Requirement:**

- 3.5.1 The contractor shall understand and agree that this procurement shall involve the expenditure of federal funds. Therefore, in accordance with the Departments of Labor, Health and Human Services, and Education and Related Agencies Appropriations Act, Public Law 101-166, Section 511, "Steven's Amendment", the contractor shall not issue any statements, press releases, and other documents describing projects or programs funded in whole or in part with federal money unless the prior approval of the state is obtained and unless the contractor clearly states the following as provided by the state:
  - a. The percentage of the total costs of the project or program that will be financed with federal money;
  - b. The dollar amount of federal funds for the project or program; and
  - c. The percentage and dollar amount of the total costs of the project or program that will be financed by non-governmental sources.

### **3.6 Contractor Liability:**

- 3.6.1 The contractor shall be responsible for any and all personal injury (including death), property damage, and loss of, or damage to, the state's records or data as a result of the contractor's negligence involving any equipment or service provided under the terms and conditions, requirements, and specifications of the contract. In addition, the contractor assumes the obligation to save the State of Missouri, including its agencies, employees, and assignees, from every expense, liability, or payment arising out of such negligent act. The contractor also agrees to hold the State of Missouri, including its agencies, employees, and assignees, harmless for any negligent act or omission committed by any subcontractor or other person employed by or under the supervision of the contractor under the terms of the contract.
- 3.6.2 The contractor shall not be responsible for any injury or damage occurring as a result of any negligent act or omission committed by the State of Missouri, including its agencies, employees, and assignees.
- 3.6.3 Under no circumstances shall the contractor be liable for any of the following: (1) third party claims against the state for losses or damages (other than those listed above); or (2) economic consequential damages (including lost profits or savings) or incidental damages, even if the contractor is informed of their possibility.
- 3.6.4 Circumstances may arise where, because of a default on the contractor's part or other liability, the state is entitled to recover damages from the contractor. In each such instance, regardless of the basis on which the state is entitled to claim damages from the contractor, the contractor is liable only for:
  - a. Payments referred to in Inventions, Patents, and Copyrights;
  - b. Bodily injury (including death), damage to real property and tangible personal property, and loss of, or damage to, the state's records or data;
  - c. Any other liabilities stated in the RFP; and

- d. Software license fees paid (the software license fees paid also applies to any subcontractors and program developers).

### **3.7 Liquidated Damages:**

- 3.7.1 The contractor shall understand and agree that the provision of the system in accordance with the requirements stated herein and in Exhibit D.1.A is considered critical to the efficient operations of the state. However, since the amount of actual damages would be difficult to establish in the event the contractor fails to comply with the requirements, the contractor shall understand and agree that the amount identified below as liquidated damages shall be reasonable and fair under the circumstances.
- 3.7.2 The contractor acknowledges that it shall be subject to damages in the amount of \$500 for Project Plan update delivered five (5) or more business days late. There shall be additional damages in the amount of \$200 per calendar day (including weekends and holidays) after the original five (5) business day time period (i.e., if the project plan update is delivered seven days late, the liquidated damages assessed is  $\$500 + \$200 + \$200 = \$900$ ). The maximum liquidated damages assessed to the contractor for the late delivery of project plan updates shall be \$198,000.
- 3.7.3 The contractor acknowledges that it shall be subject to damages in the amount of \$2,000 per scheduled deliverable for every calendar week (including weekends and holidays) the stated deliverable of contractor's formal Project Plan is not met. Exceptions shall be made when there are delays caused by Force Majeure events. Such delays, if any, shall extend the deliverable on a week-by-week basis. It shall be the contractor's responsibility to ensure that delays caused by the state are reflected in the updated Project Plan at the time the delay occurs. The maximum liquidated damages assessed to the contractor for late delivery of deliverables shall be \$250,000 for each deliverable.
- 3.7.4 The contractor acknowledges that it shall be subject to damages for not responding to each Severity Level 1 or 2 defect, error, or issue in the required timeframe (refer to paragraph 4.17.4) during the warranty period. If required response time is not met for Severity Level 1 or 2, liquidated damages shall be \$1,000, and liquidated damages shall be increased by an additional \$1,000 for each hour of no response (i.e., if the Severity Level 1 defect is responded to 2 hours and 10 minutes after reported, the liquidated damages assessed is  $\$1,000 + \$1,000 = \$2,000$ ). The maximum liquidated damages assessed to the contractor for untimely response to Severity Level 1 or 2 shall be \$100,000 for each warranty period.
- 3.7.5 The contractor acknowledges that it shall be subject to damages for not responding to each Severity Level 3 or 4 defect, error, or issue in the required timeframe (refer to paragraph 4.17.4) during the warranty period. If required response time is not met for Severity Level 3 or 4, liquidated damages shall be \$500, and liquidated damages shall be increased by an additional \$500 for each hour of no response (i.e., if the Severity Level 3 or 4 issue is responded to 3 hours and 10 minutes after reported, the liquidated damages assessed is  $\$500 + \$500 = \$1,000$ ). The maximum liquidated damages assessed to the contractor for untimely response to Severity Level 3 or 4 shall be \$50,000 for each warranty period.
- 3.7.6 The contractor acknowledges that it shall be subject to damages for not correcting each Severity Level 1 or 2 defect, error, or issue in the required timeframe (refer to paragraph 4.17.5) during the warranty period. If correction timeframe (which does not include user testing and implementation) is not met for Severity Level 1 or 2, liquidated damages shall be \$5,000, and liquidated damages shall be increased by an additional \$5,000 for each hour the correction is not complete (i.e., if the Severity Level 1 error is corrected 5 hours and 10 minutes after reported, the liquidated damages assessed is  $\$5,000 + \$5,000 = \$10,000$ ). The maximum liquidated damages assessed to the contractor for untimely correction of Severity Level 1 or 2 shall be \$500,000 for each warranty period.
- 3.7.7 The contractor acknowledges that it shall be subject to damages for not correcting each Severity Level 3 or 4 defect, error, or issue in the required timeframe (refer to paragraph 4.17.5) during the warranty

period. If correction timeframe (which does not include user testing and implementation) is not met for Severity Level 3 or 4, liquidated damages shall be \$2,500, and liquidated damages shall be increased by an additional \$2,500 for each hour the correction is not complete (i.e., if the Severity Level 3 issue is corrected 121 hours and 10 minutes after reported, the liquidated damages assessed is  $\$2,500 + \$2,500 = \$5,000$ ). The maximum liquidated damages assessed to the contractor for untimely correction of Severity Level 3 or 4 shall be \$250,000 for each warranty period.

- 3.7.8 The contractor shall also agree and understand that such liquidated damages shall either be deducted from the contractor's invoices pursuant to the contract or paid by the contractor as a direct payment to the state, at the sole discretion of the state.
- 3.7.9 The contractor shall understand that the liquidated damages described herein shall not be construed as a penalty.
- 3.7.10 The contractor shall agree and understand that all assessments of liquidated damages shall be within the discretion of the state and shall be in addition to, not in lieu of, the rights of the state to pursue other appropriate remedies.

### **3.8 Force Majeure:**

- 3.8.1 The contractor shall not be liable for any excess costs for delayed delivery of goods or services to the state if the failure to perform the contract arises out of causes solely beyond the control of, and without the fault or negligence of, the contractor ("Force Majeure Events"). Such causes may include, however are not restricted to: Acts of God, fires, floods, epidemics, quarantine restrictions, strikes, war, terrorism, and freight embargoes. Failure of the contractor to employ adequate personnel to complete the contract requirements shall not constitute a Force Majeure Event. In all cases, the failure to perform must be beyond the control of, and without the fault or negligence of, either the contractor or any subcontractor(s). The contractor shall take all possible steps to recover from any such occurrences as soon as possible. The contractor must give written notice of any Force Majeure Event to the state within 24 hours after its occurrence in order to receive the liability protections of this paragraph.

### **3.9 No Actions, Suits, or Proceedings:**

- 3.9.1 The contractor shall warrant that there are no actions, suits, or proceedings, pending or threatened, that shall have a material adverse effect on the contractor's ability to fulfill its obligations under the contract. The contractor shall further warrant that it will notify the State of Missouri immediately if the contractor becomes aware of any action, suit, or proceeding, pending or threatened, that will have a material adverse effect on contractor's ability to fulfill the obligations under the contract.

### **3.10 Warranty of Contractor Capability:**

- 3.10.1 The contractor shall warrant that it is financially capable of fulfilling all requirements of this contract and that the contractor is a validly organized entity that has the authority to enter into the contract. The contractor is not prohibited by any loan, contract, financing arrangement, trade covenant, or similar restriction from entering into the contract.

### **3.11 Inventions, Patents, and Copyrights:**

- 3.11.1 The contractor shall report to the state promptly and in reasonable written detail each notice or claim of patent or copyright infringement based on the performance of the contract of which the contractor has knowledge.
- 3.11.2 The state agrees that the contractor has the right to defend or at its option to settle, and the contractor agrees to defend at its own expense or at its option to settle, any claim, suit, or proceeding brought against the state on the issue of infringement of any United States patent or copyright by any product, or

any part thereof, supplied by the contractor to the state under this agreement. The contractor agrees to pay, subject to the limitations hereinafter set forth in this paragraph, any final judgment entered against the state on such issue in any suit or proceeding defended by the contractor. The state agrees that the contractor at its sole option shall be relieved of the foregoing obligations unless the state notifies the contractor promptly in writing of any such claim, suit, or proceeding, and at the contractor's expense, gives the contractor proper and full information needed to settle and/or to defend any such claim, suit, or proceeding. If the product, or any part thereof, furnished by the contractor to the state becomes, or in the opinion of the contractor may become, the subject of any claim, suit, or proceeding for infringement of any United States patent or copyright, or in the event of any adjudication that such product or part infringes any United States patent or copyright, or if the use, lease, or sale of such product or part is enjoined, the contractor may, at its option and its expense: (1) procure for the state the right under such patent or copyright to use, lease, or sell as appropriate such product or part, or (2) replace such product or part with other product or part suitable to the state, or (3) suitably modify such product or part, or (4) discontinue the use of such product or part and refund the aggregated payments and transportation costs paid therefore by the state, less a reasonable sum for use and damage. The contractor shall have no liability for any infringement based upon: (1) the combination of such product or part with any other product or part not furnished to the state by the contractor, or (2) the modification of such product or part unless such modification was made by the contractor, or (3) the use of such product or part in a manner for which it was not designed.

- 3.11.3 The contractor shall not be liable for any cost, expense, or compromise, incurred or made by the state in conjunction with any issue of infringement, without the contractor's prior written authorization. The foregoing defines the entire warranty by the contractor and the exclusive remedy of the state with respect to any alleged patent infringement by such product or part.

**3.12 Insurance:**

- 3.12.1 The contractor shall understand and agree that the State of Missouri cannot save and hold harmless and/or indemnify the contractor or contractor's employees against any liability incurred or arising as a result of any activity of the contractor or any activity of the contractor's employees related to the contractor's performance under the contract. Therefore, the contractor must acquire and maintain adequate liability insurance in the form(s) and amount(s) sufficient to protect the State of Missouri, its agencies, its employees, its clients, and the general public against any such loss, damage, and/or expense related to his or her performance under the contract. The insurance shall include an endorsement that adds the State of Missouri as an additional insured.

**3.13 Termination:**

- 3.13.1 Any time after June 30, 2012, the DPMM reserves the right to terminate the contract at any time, for the convenience of the State of Missouri, without penalty or recourse, by giving written notice to the contractor at least 30 calendar days prior to the effective date of such termination. The contractor shall be entitled to receive compensation for services and/or supplies delivered to and accepted by the State of Missouri pursuant to the contract prior to the effective date of termination.

**3.14 Contractor Status:**

- 3.14.1 The contractor represents himself or herself to be an independent contractor offering such services to the general public and shall not represent himself/herself or his/her employees to be an employee of the State of Missouri. Therefore, the contractor shall assume all legal and financial responsibility for taxes, FICA, employee fringe benefits, workers' compensation, employee insurance, minimum wage requirements, overtime, etc., and agrees to indemnify, save, and hold the State of Missouri, its officers, agents, and employees harmless from and against any and all loss, cost (including attorney fees), and damage of any kind related to such matters.

**3.15 Subcontractors:**

- 3.15.1 Any subcontracts for the products/services described herein must include appropriate provisions and contractual obligations to ensure the successful fulfillment of all contractual obligations agreed to by the contractor and the State of Missouri and to ensure that the State of Missouri is indemnified, saved, and held harmless from and against any and all claims of damage, loss, and cost (including attorney fees) of any kind related to a subcontract in those matters described in the contract between the State of Missouri and the contractor. The contractor shall expressly understand and agree that he or she shall assume and be solely responsible for all legal and financial responsibilities related to the execution of a subcontract. The contractor shall agree and understand that utilization of a subcontractor to provide any of the products/services in the contract shall in no way relieve the contractor of the responsibility for providing the products/services as described and set forth herein. The contractor must obtain the approval of the State of Missouri prior to establishing any new subcontracting arrangements and before changing any subcontractors. The approval shall not be arbitrarily withheld.
- 3.15.2 Pursuant to subsection 1 of Section 285.530, RSMo, no contractor or subcontractor shall knowingly employ, hire for employment, or continue to employ an unauthorized alien to perform work within the State of Missouri. In accordance with Sections 285.525 to 285.550, RSMo, a general contractor or subcontractor of any tier shall not be liable when such contractor or subcontractor contracts with its direct subcontractor who violates subsection 1 of Section 285.530, RSMo, if the contract binding the contractor and subcontractor affirmatively states that:
- a. The direct subcontractor is not knowingly in violation of subsection 1 of Section 285.530, RSMo;
  - b. Shall not henceforth be in such violation; and
  - c. The contractor or subcontractor receives a sworn affidavit under the penalty of perjury attesting to the fact that the direct subcontractor's employees are lawfully present in the United States.

**3.16 Contractor's Personnel:**

- 3.16.1 The contractor shall only utilize personnel authorized to work in the United States in accordance with applicable federal and state laws. This includes but is not limited to the Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA) and Immigration and Nationality Act (INA) Section 274A.
- 3.16.2 If the contractor is found to be in violation of this requirement or the applicable state, federal, and local laws and regulations, and if the State of Missouri has reasonable cause to believe that the contractor has knowingly employed individuals who are not eligible to work in the United States, the state shall have the right to cancel the contract immediately without penalty or recourse and suspend or debar the contractor from doing business with the state. The state may also withhold up to twenty-five percent (25%) of the total amount due to the contractor.
- 3.16.3 The contractor shall agree to fully cooperate with any audit or investigation from federal, state, or local law enforcement agencies.
- 3.16.4 If the contractor meets the definition of a business entity as defined in Section 285.525, RSMo, pertaining to Section 285.530, RSMo, the contractor shall maintain enrollment and participation in the E-Verify federal work authorization program with respect to the employees hired after enrollment in the program who are proposed to work in connection with the contracted services included herein. If the contractor's business status changes during the life of the contract to become a business entity as defined in Section 285.525, RSMo, pertaining to Section 285.530, RSMo, then the contractor shall, prior to the performance of any services as a business entity under the contract:



- a. Enroll and participate in the E-Verify federal work authorization program with respect to the employees hired after enrollment in the program who are proposed to work in connection with the services required herein; and
- b. Provide to the DPMM the documentation required in Exhibit G, Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization, affirming said company's/individual's enrollment and participation in the E-Verify federal work authorization program; and
- c. Submit to the DPMM a completed, notarized Affidavit of Work Authorization provided in Exhibit G, Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization.

### **3.17 Participation by Other Organizations:**

- 3.17.1 The contractor must comply with any Organization for the Blind/Sheltered Workshop and/or MBE/WBE participation levels committed to in the contractor's awarded proposal.
- 3.17.2 The contractor shall prepare and submit to the DPMM a report detailing all payments made by the contractor to Organizations for the Blind/Sheltered Workshops and/or MBEs/WBEs participating in the contract for the reporting period. The contractor must submit the report on a monthly basis, unless otherwise determined by the DPMM.
- 3.17.3 The DPMM will monitor the contractor's compliance in meeting the Organizations for the Blind/Sheltered Workshop participation levels committed to in the contractor's awarded proposal. The DPMM in conjunction with the OEO will monitor the contractor's compliance in meeting the MBE/WBE participation levels committed to in the contractor's awarded proposal. If the contractor's payments to the participating entities are less than the amount committed, the state may cancel the contract and/or suspend or debar the contractor from participating in future state procurements or retain payments to the contractor in an amount equal to the value of the participation commitment less actual payments made by the contractor to the participating entity. If the DPMM determines that the contractor becomes compliant with the commitment, any funds retained as stated above will be released.
- 3.17.4 If a participating entity fails to retain the required certification or is unable to satisfactorily perform, the contractor must obtain other certified MBEs/WBEs or other Organizations for the Blind/Sheltered Workshops to fulfill the participation requirements committed to in the contractor's awarded proposal.
  - a. The contractor must obtain the written approval of the DPMM for any new entities. This approval shall not be arbitrarily withheld.
  - b. If the contractor cannot obtain a replacement entity, the contractor must submit documentation to the DPMM detailing all efforts made to secure a replacement. The DPMM shall have sole discretion in determining if the actions taken by the contractor constitute a good faith effort to secure the required participation and whether the contract will be amended to change the contractor's participation commitment.
- 3.17.5 Within thirty days of the end of the original contract period, the contractor must submit an affidavit to the DPMM. The affidavit must be signed by the director or manager of the participating Organizations for the Blind/Sheltered Workshop verifying provision of products and/or services and compliance of all contractor payments made to the Organizations for the Blind/Sheltered Workshops. The contractor may use the affidavit form available on the DPMM website at <http://oa.mo.gov/purch/vendor.html> or another affidavit form providing the same information.

**3.18 Substitution of Personnel:**

- 3.18.1 The contractor must provide resumes for all contractor staff being assigned to the project for the review of and acceptance by the state. Contractor staff assigned to the project are subject to the approval or rejection by the state. The state may interview the contractor's proposed Project Manager prior to acceptance. If there would be a need to replace the Project Manager by the contractor, any subsequent proposed Project Manager may be interviewed by the state prior to acceptance.
- 3.18.2 The contractor agrees and understands that the State of Missouri's agreement to the contract is predicated in part on the utilization of the specific key individual(s) and/or personnel qualifications identified in the proposal. Therefore, the contractor agrees that no substitution of such specific key individual(s) and/or personnel qualifications shall be made without the prior written approval of the state agency. The contractor should provide at least a two-week advance notification to the state in the event the contractor must make a substitution of personnel. The contractor further agrees that any substitution made pursuant to this paragraph must possess equal or greater qualifications than originally proposed. The state shall have the right to accept the proposed substitute candidate or request additional resumes of other available personnel. The state's approval of a substitution shall not be construed as an acceptance of the substitution's performance potential. The state shall reserve the right to then accept or reject any substitute personnel offered by the contractor. The state agrees that an approval of a substitution will not be unreasonably withheld.
- 3.18.3 At the state's request and with reasonable justification, the contractor shall provide immediate replacement of any of the contractor's staff providing services under the contract if deemed to be in the best interests of the state.
- 3.18.4 Once contractor's staff is approved by the state and is meeting contract requirements, staff changes must be held to a minimum. If the contractor makes a staff substitution, the contractor must assume responsibility to fully train the staff substitute on all aspects of the project, including business and technical requirements, and ensure the staff substitute has a very good understanding of the project prior to beginning work.

**3.19 Prohibitive Hiring:**

- 3.19.1 The contractor and the contractor's subcontractor(s) shall not hire any current employee of the agency or of the ITSD for work on the project identified in this RFP for a period of not less than six (6) months prior to their date of employment with the contractor or contractor's subcontractor(s) (unless the individual has retired in accordance with the State of Missouri's retirement program or has experienced a cessation of employment due to layoff from their State of Missouri department, or otherwise dismissed) without the prior written approval of the applicable state agency's director or other designated official. It is agreed between the parties that the contractor shall obtain the required approval before contacting any described employee for the purposes of possible employment.

**3.20 Coordination:**

- 3.20.1 The contractor shall fully coordinate all contract activities with those activities of the state. As the work of the contractor progresses, advice and information on matters covered by the contract shall be made available by the contractor to the state or the DPMM throughout the effective period of the contract.

**3.21 Transition:**

- 3.21.1 Upon award of the contract, the contractor shall work with the state and any other organizations designated by the state to insure an orderly transition of services and responsibilities under the contract and to insure the continuity of those services required by the state.

- 3.21.2 Upon expiration, termination, or cancellation of the contract, the contractor shall assist the state to insure an orderly transfer of responsibility and/or the continuity of those services required under the terms of the contract to an organization designated by the state, if requested in writing. The contractor shall provide and/or perform any or all of the following responsibilities:
- a. The contractor shall deliver, in either electronic or hard copy format as solely specified by the state, all records, documentation, reports, data, recommendations, or printing elements, etc., which were required to be produced under the terms of the contract to the state and/or to the state's designee within seven (7) days after receipt of the written request.
  - b. The contractor shall discontinue providing service or accepting new assignments under the terms of the contract on the date specified by the state in order to insure the completion of such service prior to the expiration of the contract.

### **3.22 Property of State:**

- 3.22.1 All documents, data, reports, supplies, equipment, source code, and accomplishments prepared, furnished, or completed by the contractor, known as "work product", pursuant to the terms of the contract shall become the property of the state. Upon expiration, termination, or cancellation of the contract, said items shall become the property of the state. Except as restricted in paragraph 3.22.2, all application modules delivered under the contract pursuant to the requirements specified herein shall be considered property of the state to include the application source code for the entire solution including pre-developed source code, any off-the-shelf software previously developed by the contractor, new source code, and source code that has been modified. The right granted in the preceding sentence does not include the right by the state to use or allow others to use the software described therein to commercially compete with the contractor or its subcontractors. The right granted, however, does include the right to share the application source code for the entire solution with no restrictions or limitations from the contractor with any public governmental entity (i.e., local, county, city, state, or federal governmental entity).
- 3.22.2 The state reserves the right to share the source code of the developed application module with other entities without restriction or limitations from the contractor. Any modifications and derived works of the developed application modules that are developed by the state or any contractor hired by the state shall also be considered property of the state. This requirement does not apply to third-party packaged off-the-shelf utility/tools software (e.g., Microsoft products, etc.) provided as part of the system solution, and it shall not apply to third-party pre-programmed packaged tools used for the development of the specific application module.
- 3.22.3 As owner of all source code provided, the State of Missouri shall have an unlimited, irrevocable, perpetual, non-exclusive, and royalty-free right to (1) use, copy, modify, and create derivative works of the software for performing or supporting the state's business activities; (2) permit the state-authorized individuals, consultants, groups, agencies, and organizations to access and interact with the software through the systems' internal and external interfaces, including without limitation, delivering data to and extracting data from the system; and (3) demonstrate and perform the software for the public, including the state's constituents and other governmental entities.
- 3.22.4 Copy of Work Product: The contractor shall, at no cost to the state, deliver to the state, upon the state's request during the term or at the expiration or termination of all or part of the contractor's performance hereunder, a current copy of the entire work product within 10 calendar days of the date of the state's request. This requirement does not apply to third-party packaged off-the-shelf utility/tools software (such as Microsoft products, etc.) provided as part of the system solution, and it shall not apply to third-party packaged tools used for the development of the specific application modules. The work product shall be provided in the form and on the media in use as of the date of the state's request. The work product materials must be readable and useable in their current form or, if any portion of the work

product materials is encrypted, the decryption tools and decryption keys must also be provided to the state. The work product materials must include but not be limited to the following:

- a. Two (2) copies of the source code on CD-ROM for all environments, including all tiers of the architecture. The source code shall include pre-developed source code, new source code, and source code that has been modified.
- b. All documentation necessary for operation (i.e., installation, support, operator, user).
- c. Necessary non-licensor proprietary software required to make the software operable or a listing and specifications of where such items may be obtained if licensor rights do not allow delivery to the state.
- d. All other necessary and available information that would assist the state in the reconstruction, maintenance, or enhancement of the software.

3.22.5 Failure to provide any or all of the work product materials defined above to the state shall be considered a material breach of the contract and basis for forfeiture of current holdback amounts.

### **3.23 Confidentiality and Security Documents:**

3.23.1 The contractor shall agree and understand that all discussions with the contractor and all information gained by the contractor as a result of the contractor's performance under the contract shall be confidential and that no reports, documentation, or material prepared as required by the contract shall be released to the public without the prior written consent of the state.

3.23.2 If required by the state, the contractor and any required contractor personnel must sign specific documents regarding confidentiality, security, or other similar documents upon request. Failure of the contractor and any required personnel to sign such documents shall be considered a breach of contract and subject to the cancellation provisions of this document.

3.23.3 The system must have adequate security to protect all data that resides on the state's hardware. All data must reside and be stored on-site on the state's hardware. Under no circumstances shall the data, information, documents, etc., be transferred, processed, exported, accessed, or reside outside the continental United States of America. All data conversion services must be performed within the continental United States of America.

3.23.4 The contractor's and/or system's failure to maintain the level of security required by the State of Missouri to protect the data shall be considered a material breach of the contractual obligations by the contractor.

3.23.5 The contractor acknowledges and agrees that all information and data pertaining to the requirements of this contract shall be held confidential and shall not be sold or made available to a third party outside of this agreement without the prior written authorization of the agency.

3.23.6 All information pertaining to and gathered by "cookie" techniques shall be considered as confidential and have a mechanism/method to substantially secure such information from being unnecessarily disclosed to third parties.

### **3.24 Substitutions of Products/Services:**

3.24.1 The contractor shall not substitute any item that has been awarded to the contractor without the prior written approval of the DPMM.

- 3.24.2 The state reserves the right to allow the contractor to substitute any new product or service offered by the contractor on all undelivered and future orders if the quality is equal to or greater than the product/service under the contract and if the prices are equal to or less than the contract prices. The DPMM shall be the final authority as to acceptability.

### **3.25 Contract Monitoring:**

- 3.25.1 The state reserves the right to monitor the contract throughout the effective period of the contract to ensure financial and contractual compliance. If the state determines the contractor to be at high-risk for non-compliance, the state shall have the right to impose special conditions or restrictions. Written notification will be provided to the contractor of the determination of high-risk and of any special conditions or restrictions to be imposed. The special conditions or restrictions may include, but not be limited to, those conditions specified below:
- a. Withholding authority to proceed to the next phase of the project until the state receives evidence of acceptable performance within a given contract period;
  - b. Requiring additional, more detailed financial reports or other documentation;
  - c. Additional contract monitoring/project oversight;
  - d. Requiring the contractor to obtain technical or management assistance; and/or
  - e. Establishing additional prior approvals from the state.

### **3.26 Software Piracy Prohibition:**

- 3.26.1 No state or other public funds payable under the contract shall be used for the acquisition, operation, or maintenance of computer software in violation of United States copyright laws or applicable licensing restrictions. The contractor hereby warrants and certifies that the contractor has in place appropriate systems and controls to prevent such improper use of public funds. Under no circumstances in the course of providing products, services, or any other performance of their duties/obligations to the state shall the contractor directly or indirectly utilize tools, equipment, and/or software programs that are in violation of third parties' legal copyrights. If the state determines that the contractor is in violation of this paragraph, the state may exercise any remedy available at law including, without limitation, immediate termination of the contract and any remedy consistent with United States copyright laws.

### **3.27 Prohibition of Electronic Interference:**

- 3.27.1 The contractor agrees that in the event of any dispute with the state regarding an alleged breach of contract, the contractor shall not use any type of electronic means to prevent or interfere with the operation of, or agency access to, the licensed system without first obtaining a valid court order authorizing same in accordance with the State of Missouri Terms and Conditions, Section 2, subparagraph e. The state shall be given proper written notice and an opportunity to be heard in connection with any request for such a court order. The contractor understands that it is foreseeable that a breach of this provision could cause substantial harm to the state. No limitation of liability, whether contractual or statutory, shall apply to a breach of this paragraph.

### **3.28 Independent Obligation of Contractor to Continue Performance:**

- 3.28.1 Nature of Independent Obligation: Because of the critical importance of the provision of the system and services to be performed by the contractor hereunder to the operation of the state, the contractor assumes an independent obligation to continue performance of its system and service obligations hereunder in all respects regardless of any dispute (including without limitation any alleged material breach by the state) which may arise between the state and the contractor. Such independent obligation shall continue for a

period of 90 days from the date upon which the state receives written notice of such alleged breach from the contractor. The project work and/or the operation of the system shall continue until any dispute is resolved, and thereafter in accordance with the terms of the resolution. The contractor undertakes this independent obligation without prejudice to any rights or remedies it may otherwise have in connection with any dispute between the contractor and the state.

- a. Notice and Opportunity to Cure Breach of Contract: Upon the occurrence that the state may be in material breach of contract, the contractor shall deliver to the state and the DPMM a written Notice of Intent to Terminate that identifies in detail the event of default (contract breach). If the event of default remains uncured for 10 business days or at a minimum if the state cannot provide the contractor with an acceptable written plan to cure the default within a reasonable time period, the contractor may terminate the contract agreement by delivering to the state a Notice of Termination that identifies the effective date of the termination, which date shall not be less than 10 business days after the date of delivery of the Notice of Intent to Terminate. All such notifications must be given to both the state and the DPMM. All notifications must reference the contract number, which shall be assigned by the DPMM and listed on the cover page of the Notice of Award of Contract.

### **3.29 Escalation Procedure:**

- 3.29.1 It is the state's intent to follow the escalation procedure protocol described below if a dispute arises regarding either party's performance under the terms of the contract. However, at the sole discretion of the state, especially in serious performance and breach of contract matters, the state reserves the right to not utilize this escalation procedure and pursue other courses of actions allowable under the contract.
- 3.29.2 Each party agrees to notify the other party in writing, detailing the nature of the dispute, within 10 consecutive business days after the dispute arises. The parties agree to use their best efforts in a good faith attempt to resolve the dispute in accordance with the following procedure:
  - a. Step 1: State's Project Manager and the contractor's Project Manager will use best efforts to reach a resolution of said dispute within a period of five (5) consecutive business days. If the parties fail to resolve the dispute within said time frame, the parties proceed to next step defined below.
  - b. Step 2: Agency's Project Sponsor/Director and contractor's Client/Account/Business Manager, or equivalent position, shall use reasonable efforts to reach a resolution of said dispute within a period of five (5) consecutive business days. If needed, the Buyer of Record with the DPMM will be involved to consult regarding contract provisions, terms, and conditions. If the parties fail to resolve the dispute within said time frame, the parties may proceed to next step defined below.
  - c. Step 3: Agency's Director and contractor's Senior Management (Regional Vice President, President, or equivalent position) will use best efforts to reach a resolution of said dispute within a period of five (5) consecutive business days. If needed, the Buyer of Record with the DPMM along with the DPMM Section Manager will be involved to consult regarding contract provisions, terms, and conditions.
- 3.29.3 Within all three (3) steps, dispute resolution efforts shall be conducted by conference of the parties' respective representatives, either telephonically, by e-mail communications, and/or in person. If at the conclusion of Step 3 the parties have failed to resolve the dispute, each party may assert its other rights and remedies provided under the contract. At any time that the dispute involves a material breach of contract or a legal liability claim, then the provisions in the State of Missouri Terms and Conditions, in particular Section 2 and Section 16, as stated in the contract shall prevail.

#### **4. PERFORMANCE REQUIREMENTS**

This section of the RFP includes requirements and provisions relating specifically to the performance specifications and requirements of the state. The contents of this section include mandatory requirements that will be required of the successful offeror and subsequent contractor. Response to this section by the offeror is requested in the Exhibit section of this RFP. The offeror's response, whether responding to a mandatory requirement or a desired attribute, shall be binding upon the offeror in the event the proposal is accepted by the state.

##### **4.1 General Requirements:**

- 4.1.1 The contractor must provide integrated computer system design, development, and testing services, which meet or exceed the specifications contained in this RFP. The contractor must develop a system that provides automated business and technical solutions for the entire UI operation of the state in accordance with the provisions and requirements stated herein. The UI system must provide a unified, consistent, and seamless user interface across different business functions.
  - a. The system shall replace the functionalities provided by the mainframe, web-based systems, etc., as well as various Excel spreadsheets and Access databases. In addition, the system shall replace and/or enhance the IVR functionality. The proposed solution must follow the requirements as stated in this RFP and be based upon the recommendations from the agency's business analysis and process reengineer, supporting documents of the business analysis and process reengineer contained in the attachments, and existing functionality that the agency requires today.
  - b. The system solution must be designed and developed to effectively utilize real-time processing of data. The system may utilize batch processing as mutually agreed-upon by the contractor and state.
- 4.1.2 The contractor or a subcontractor must have, within the last 60 months prior to the date of this RFP, experience in the design, development, and implementation of a state and/or federal government UI program solution, which shall include a complete tax, benefits, and/or appeals system. It is highly desirable that the contractor, rather than a subcontractor, have the required UI experience since the contractor is the primary entity responsible for the execution, fulfillment, and delivery of the contract requirements.
- 4.1.3 It is highly desirable that the contractor's or subcontractor's developers and business analysts working on this project have experience with the proposed solution or the technology utilized to develop the proposed solution.
- 4.1.4 The state shall not guarantee any minimum or maximum amount of the contractor's products/services that may be required under the contract. The contractor shall provide products/services on an as-needed, if-needed basis. The state does not guarantee any usage of the contract whatsoever.
- 4.1.5 The contractor must perform in a timely and efficient manner as evidenced by the Project Status Reports submitted (refer to paragraph 4.3.4) and must be able to complete the design, development, and implementation requirements by the agreed-upon dates that are specified in the Project Plan (refer to paragraph 4.12.2).
- 4.1.6 The contractor shall assume responsibility and liability for all problems relating to all hardware, software, and services provided or performed by the contractor or any subcontractor of the contractor, regardless of any subcontract arrangements.
- 4.1.7 The state will provide all appropriate data, which it possesses, to the contractor in formats in which such data presently exists. Such information may exist in the form of paper files and/or electronically. Any supplementary data, which the contractor desires to utilize that is not possessed by the state, must be obtained directly by the contractor and at the contractor's expense.

- 4.1.8 The state desires to implement this project in phases. Work performed on the Development Initiatives (refer to Section 5) for the proposed phases may overlap each other.
- 4.1.9 The contractor must provide a set of final project management materials, products, tools, and content that documents project outcomes and results once the project is complete. Project Close Out tasks include, at a minimum, final archival of project and project management artifacts, the hand-off and location of completed project deliverables, and other project assets and repositories used throughout this project, which are required to maintain and operate the system.
- 4.1.10 The state may provide project oversight on this project. The state reserves the right to hire an independent verification and validation (IV & V) company to provide outside project oversight to assure the approved project and life cycle methodologies are followed. As part of the IV & V process, the state reserves the right to apply code analyzers, profilers, security diagnostics, and test support tools to verify the technical and functional requirements of the system solution.

#### **4.2 Project Meetings/Sessions/Interviews:**

- 4.2.1 A Preliminary Meeting shall be scheduled by the contractor to meet in-person with the state in Jefferson City, Missouri, within two (2) weeks after notification of contract award. Discussion at the meeting shall include information and instructions regarding the services to be provided, any preliminary training recommendations for state staff, and any additional information that the contractor requests to begin this project.
- 4.2.2 The contractor must digitally record all meetings, sessions, and interviews. These audio files will be stored on the state's Microsoft SharePoint site or other agreed-upon location. The contractor must provide scribes as specified by the state to document meetings, sessions, and interviews (e.g., Steering Committee meetings, external interviews, etc.). All meeting, session, and interview documents must be stored on the state's SharePoint site with a link to the audio file(s) for the specified document.
- 4.2.3 The contractor must be prepared and punctual for all meetings, sessions, and interviews.
- 4.2.4 A Project Kickoff Meeting shall be scheduled by the contractor to meet with the state in Jefferson City, Missouri, within 30 calendar days after the Preliminary Meeting is held. The contractor must deliver at this meeting or prior to this meeting, the detailed Project Plan. Refer to paragraph 4.12.2 for complete details of the Project Plan.
- 4.2.5 By no later than 30 calendar days following the Project Kickoff Meeting, the contractor must revise the Project Plan pursuant to the specifications made by the state during the Project Kickoff Meeting and in any subsequent discussions.
- 4.2.6 The contractor must schedule and conduct design sessions and interviews (refer to paragraphs 4.2.12 and 4.11.27).
- 4.2.7 The contractor's Project Manager must schedule and conduct a Project Status Meeting every two (2) weeks, beginning with final approval of the Project Plan, to be held with the project team members at which time the contractor must discuss/resolve issues and problems. The state may require additional Project Status Meetings at other times as needed, and such meetings shall be held when requested.
- 4.2.8 The contractor's Project Manager must attend all scheduled Project Status Meetings, preferably in person; however, the state will allow the contractor's Project Manager to attend the status meetings by video conference phone that must be supplied by the contractor on a pre-approved schedule.
- 4.2.9 In accordance with Project Status Meetings, the contractor must, if necessary, revise and update the initial Project Plan to reflect any change in dates or activities based on actual progress or any re-planning



and present the revisions and updates at the status meeting. If no revisions or updates are necessary, the contractor shall note such in the Project Status Report (refer to paragraph 4.3.4). The state shall have five (5) business days to review the changes that were made to the Project Plan from the time the changes are presented at the Project Status Meeting. If the state does not notify the contractor's Project Manager of any changes within five (5) business days, the changes shall be deemed approved.

- 4.2.10 The contractor must schedule and conduct a Steering Committee Meeting once a month on a reoccurring day/time schedule agreed to by the state to be held with the project Steering Committee.
- 4.2.11 The contractor's Project Manager must attend all Steering Committee Meetings in person to inform, advise, and coordinate all major issues with the Steering Committee.
- 4.2.12 All internal interviews and data collection required for the design and development of the system must be performed on-site at the agency's central office. External interviews required for the design and development of the system may be performed off-site.
- 4.2.13 The state anticipates a phased implementation for this project as described in paragraph 4.1.8. Project Phase Kickoff Meetings shall be conducted within 30 calendar days before work begins on each phase with the exception of the first phase. The contractor's Project Manager shall review the updated Project Plan including assigned resources and proposed timelines with the project team members at the Project Phase Kickoff Meeting. The contractor must obtain acceptance of the Project Plan from the state prior to beginning work on subsequent phases.

#### **4.3 Project Documentation:**

- 4.3.1 All documentation, including source documents, from this project must be kept in a Microsoft SharePoint site that is administered by the state and resides on the state's network. The contractor must provide guidance on how the material is organized.
- 4.3.2 All documentation produced by the contractor under this RFP must be comprehensible by individuals with a limited understanding of computer systems. The project's documentation must include additional explanation of technical language where necessary and a glossary of terms.
- 4.3.3 Within 30 calendar days from the Preliminary Meeting (refer to paragraph 4.2.1), the contractor must furnish to the state outlines of the final deliverable document formats, including a brief narrative description of what shall be encompassed in each deliverable (refer to Section 4.12). At any time, the state shall have the right to approve/disapprove, edit, modify, and/or rearrange the outline of the deliverable documents as it deems necessary to ensure the inclusion of any additional detail.
- 4.3.4 The contractor's Project Manager must present a Project Status Report at each Project Status Meeting. The Project Status Report shall, at a minimum, detail the following:
  - a. Completed activities compared to the plan;
  - b. Milestones reached compared to the plan;
  - c. Deliverables completed compared to the plan;
  - d. Outstanding invoice status;
  - e. Assignments and planned work for the upcoming two (2) weeks;
  - f. Milestones/activities/tasks behind schedule and any necessary corrective action plans; and
  - g. Staffing updates, which shall include an on-site and off-site schedule of all team members.

4.3.5 The contractor's Project Manager must present a Steering Committee Report at each Steering Committee Meeting. The Steering Committee Report shall, at a minimum, detail the following:

- a. Activities and accomplishments for the reporting time period;
- b. Issues and problems such as milestones/activities/tasks behind schedule;
- c. Identification of any necessary corrective action plans;
- d. Project risks;
- e. Change requests;
- f. Timelines;
- g. Staffing updates, which shall include an on-site and off-site schedule of all team members;
- h. Support, input, or decisions required from the Steering Committee;
- i. Outstanding invoice status; and
- j. Earned Value Management Update
  - 1) Total amount of the project;
  - 2) Invoiced amount to-date;
  - 3) Paid amount to-date;
  - 4) Planned Value (PV) – the budgeted cost for the work scheduled to be completed up to a given point in time;
  - 5) Earned Value (EV) – the budgeted amount for the work actually completed during a given time period; and
  - 6) Actual Cost (AC) – the total cost incurred in accomplishing work during a given time period.

4.3.6 The contractor must document lessons learned and provide a lessons learned document that is reviewed with the entire project team upon completion of each phase and the project.

#### **4.4 Staff/Schedules:**

4.4.1 When the contractor is performing services on-site at the agency facility, the work performed must occur during the normal business hours, unless the state has otherwise authorized after-hours access for the contractor's staff. Normal business hours are 8:00 a.m. to 5:00 p.m. Central Time, Monday through Friday, excluding state holidays and any days off announced by the Governor. It shall be at the state's sole discretion to allow the contractor's staff any after-hours access to the agency facility (e.g., during conversion). No overtime payment shall be made by the state. For a listing of state holidays, see <http://oa.mo.gov/pers/hoursofwork.htm>.

4.4.2 Travel expenses incurred in providing on-site services to the state must be reflected in the pricing specified in Exhibit A. No additional travel expense payments and/or reimbursements shall be made to the contractor for providing the on-site services described herein.

- 4.4.3 The state shall provide appropriate and necessary equipment (i.e., telephone for local calls, printer, copier, and digital recorder), supplies, and workspace for on-site contractor staff.
- 4.4.4 The contractor must furnish any equipment and supplies for on-site contractor staff that the state deems unnecessary to perform the services required (e.g., preferences for dry erasable items, specialty items that the state does not typically stock, etc.).
- 4.4.5 The state shall provide the on-site hardware and software necessary to develop the system including workstations that will be accessed by off-site developers using a Virtual Private Network (VPN). The state shall not provide off-site hardware and software.
- 4.4.6 The contractor's provision of products and support services described herein shall be manufactured/produced and/or provided from a location within the United States of America. Offshore products/services shall not be provided under the resulting contract. Any software development must be done within the United States of America, and all data, materials, and property of the state must be kept within the United States of America.
- 4.4.7 In order to ensure effective knowledge transfer, the contractor must utilize state staff to work side-by-side with contractor staff for the entire duration of this project.
- a. The state technical staff will be comprised of a project manager, a team lead for each Development Initiative, a team lead for conversion, and a minimum of nine (9) developers committed to this project. These resources must be included in the Project Plan. State technical staff resources must be allocated evenly across all Development Initiative deliverables. A focused training plan will take place for the state technical staff dedicated to this project. Any training requirements resulting from software acquired for this project will be obtained during the project. The contractor must provide mentoring for state technical staff to help accelerate their learning process and provide assistance with their assigned work.
  - b. The agency will have a minimum of eight (8) dedicated business team leads for the duration of this project, and numerous subject matter experts (SMEs) that can be called upon as needed.
- 4.4.8 The contractor's Project Manager and lead staff (e.g., requirements/business analyst leads, technical/application development leads, development mentors, etc.) or designees with the authority to make decisions concerning the project must be on-site during all normal business hours each working day for the duration of the entire project.
- a. The contractor's Project Manager must be on-site for a minimum of fifty percent (50%) of the normal business hours each month for the duration of the entire project and must be available as needed by either video conference or conference call when off-site. At any time during the project, the state may require that the contractor's Project Manager be on-site upon request throughout the life of the project.
  - b. The contractor's lead staff must be on-site for a minimum of eighty percent (80%) of the normal business hours each month for the duration of the entire project and must be available as needed by either video conference or conference call when off-site. At any time during the project, the state may require that the contractor's lead staff be on-site upon request throughout the life of the project.
  - c. The state will allow the contractor exceptions to the staffing schedule requirements above only on an approved basis. If the contractor has a need to request adjustments to these requirements, the contractor must send the request to the state's Project Manager via e-mail, and the state will consider the request. The contractor will only be allowed to deviate from this requirement upon the written approval from the state's Project Manager.

- 4.4.9 The contractor's Project Manager and lead staff must be one hundred percent (100%) dedicated to this project.
- 4.4.10 The state must pre-approve any hardware or software used by the contractor. (NOTE: The contractor shall be responsible for costs associated with licensing software tools that may be necessary to perform a particular consulting service; e.g., project management software tools needed when performing services. However, any software used should be the same as or compatible with software used by the state.)
- 4.4.11 It is preferable that all development be performed on-site; however, if any contracted staff develops off-site to minimize costs, the off-site developers must access the state's network through a VPN and perform all development on the state's network.
  - a. Before deploying to any environment, all application programs must be compiled error-free on-site with state equipment.
  - b. The contractor must provide equipment (e.g., laptop, etc.) for off-site developers to access state-provided hardware and software using a VPN.

#### **4.5 Project Management:**

- 4.5.1 The contractor must utilize project management methodology to complete the requirements of the RFP. This methodology must adhere to the Missouri Project Management Best Practices Reference Manual. For more information see <http://oa.mo.gov/itsd/cio/projectmgmt/projectmgmtrefmanual.htm>.
- 4.5.2 The contractor must provide a Project Management Institute (PMI) Certified Project Manager. The contractor's Project Manager shall be responsible for all duties as outlined in the Missouri Project Management Best Practices Reference Manual. The contractor's Project Manager shall be the main point of contact for the state's Project Manager.
- 4.5.3 The duties of the contractor's Project Manager shall include, but are not limited to the following:
  - a. Direct the project with responsibility for project performance from initiation to closure; including planning, organizing, managing, communicating, and controlling all aspects of the project to ensure that project tasks are performed according to the approved Project Plan.
  - b. Schedule all contractor's resource assignments and coordinate with the state's Project Manager to schedule state staff assignments.
  - c. Coordinate with the state's Project Manager to identify all known items that may impact the availability of state resources during the project to avoid delays.
  - d. Ensure that all necessary subcontractor commitments are in place and monitor subcontractor commitments.
  - e. Initiate and maintain project reporting and filing procedures to ensure that project documentation is up-to-date, organized, and readily accessible by appropriate contractor and state staff throughout the life of the project.
  - f. Arrange for the delivery and installation of hardware and software in coordination with the state.
  - g. Coordinate contractor's logistics for all on-site activities.
  - h. Monitor and follow-up to ensure that requested services are completed in compliance with the contract agreement and the dates set forth in the Project Plan.

- i. Promptly consult with the state's Project Manager when Project Plan deviations occur, and document all such plan deviations in accordance with agreed-upon change control procedures.
- j. Provide consultation and advice to the state on matters related to project implementation strategies, key decisions and approaches, project operational concerns/issues, and act as a conduit to the contractor's specialist resources that may be needed to supplement the contractor's normal implementation staff.
- k. Facilitate review meetings and conferences between the state and the contractor's executives when requested by the state.
- l. Identify and provide the state with timely written notice of all issues that may threaten the implementation, operation, or performance of the system (with "timely" meaning immediately after the contractor or contractor's Project Manager becomes aware of such issues).
- m. Employ project management procedures that ensure a mutual understanding and agreement with the state of the tasks to be completed and the schedule to be observed.
- n. Employ project planning methods that document the state's expectations so there are no false starts or wasted effort.
- o. Maintain a complete record of the project's history through published Project Status Reports.
- p. Ensure that adequate quality assurance procedures are in place throughout the project, and that the system complies with the specifications and requirements.

NOTE: In the event of vacation, illness, or training, the contractor's Project Manager shall appoint a designee, who must be approved by the state, to serve in his or her temporary absence.

#### **4.6 Infrastructure:**

- 4.6.1 The contractor must architect the system to run simultaneously on multiple application servers on one or more hardware servers (clustered deployment). Such a deployment will ensure continued availability of the system even if some nodes go down and will also enable automatic load balancing and transparent failover. The application solution must utilize the state's virtual servers.
- 4.6.2 Any software or tools recommended by the contractor must meet industry standards and provide full support and maintenance options. State technical staff must approve all tools and software versions used for the development of the system. The state will provide all hardware and software licenses located at the agency's facility(s) for application development in the proposed environment. The system must be designed and developed so software can be easily upgraded throughout the entire lifecycle of the project. The state will work in partnership with the contractor to decide the timing of when upgrades are applied, and the state shall have final control of when upgrades occur.

#### **PARAGRAPH REVISED BY AMENDMENT #003**

- 4.6.3 Any operating system software purchases, any underlying database software, any Microsoft software products, and any hardware *may* be acquired through other existing state contracts or other contracting means as determined in the best interests of the state. Any other software to support and/or operate the system shall be the responsibility of the contractor for the licensing of all third-party software utilized as part of or in conjunction with the system provided by the contractor.
- 4.6.4 The use of any software for the development, support, or maintenance of the system must be reviewed and approved by the state.

- 4.6.5 State technical staff will install all hardware and software and set up the infrastructure with assistance from the contractor as needed.

**PARAGRAPH REVISED BY AMENDMENT #001**

- 4.6.6 The state expects the contractor to strive for user access to the system 24 hours per day, seven (7) days per week, except for scheduled downtime for maintenance and backups. The contractor must provide a minimum sustained level of system availability of 99.5 percent in any 30-consecutive day period, except for scheduled downtime for maintenance and backups. System availability shall be calculated by dividing the number of minutes the system was available for access by users by the total number of minutes in 30-consecutive days. For example, assuming no scheduled maintenance or backup downtime, a system availability level of 99.5 percent means that the user may be out of service no more than 216 minutes or 3.6 hours in any 30-consecutive days.
- 4.6.7 The contractor must design and develop the system to easily handle any future volume growth by adding additional hardware and/or application servers. The state plans to scale the hardware and software to meet the estimated needs at least two (2) years into the future with the assistance of the contractor. However, as users and volumes are added in the future, the capacity must be increased easily by horizontal scaling (adding additional hardware resources) and vertical scaling (adding more application servers on existing hardware). Overall transaction volume can fluctuate greatly throughout the year (e.g., claims and tax workloads are heavier during certain periods of the year – claims during the winter months and tax during the quarterly due period).
- 4.6.8 The contractor must design and develop the system so that all components shall be scalable, expandable, flexible, service-oriented, and table-based to easily accommodate new legislation and state requirements. New data entities, processes, and pages should be easy to add, and existing ones should be simple to modify. It is highly desirable that the system use an embedded business rules engine to store and execute all business rules that could change over time, and allow business users to modify the business rules without state technical staff intervention. This would provide the ability for changes to be made to business rules without having to compile and redeploy the entire application.
- 4.6.9 The contractor must utilize, at minimum, development, test, and production environments. The state will review any suggested improvements, changes, or additions to the environments, such as a training environment, conversion environment, etc., that the contractor suggests is needed. The state will work closely with the contractor and must be in agreement with any proposed environment changes before the changes are implemented. The state will work with the contractor to perform any necessary deployments to the various environments.
- 4.6.10 The contractor must design and develop the system to support both internal users and external users. The following are estimates of the total number of internal users and anticipated external users by type.
- a. DES users: 670
  - b. Employers: 221,000  
("Employers" includes active, inactive, and not yet liable)
  - c. Claimants: 500,000
  - d. Other: 2,500  
("Other" includes users from other agencies, attorneys, accountants, third party administrators, payroll service companies, courts, etc.)
- 4.6.11 The contractor must design and develop the system to allow a certain number of agency staff to access the system from a wireless connection. The agency plans to provide wireless broadband cards for certain agency staff (e.g., auditors) to access the system from remote locations that do not have Internet connections. This will enable the agency staff to access system information virtually from most places

where cell phone service is available. In addition to viewing electronic documents when needed, this shall also give staff the ability to look up other related information in the system and make immediate updates into the database.

- 4.6.12 The contractor must design and develop the system to be highly interactive, and internal users and external users must be able to use the system efficiently. The state desires to provide a highly satisfactory user experience, the success of which will be based largely on the system's response time. The system must utilize the latest technology and be architected in a manner to provide the best possible response time for internal and external users. The state acknowledges that the response time will vary depending upon the complexity of the tasks. Internal users should experience average system response times under two (2) seconds for general navigation and entry pages. Internal users working remotely should experience average system response times under five (5) seconds for general navigation and entry pages. External users should experience average system response times under 10 seconds for general navigation and entry pages. When applicable, the system should indicate the status of the task (e.g., progress bar, hourglass, etc.). The state highly encourages the use of testing tools to measure and validate response time throughout the development of the system.
- 4.6.13 The existing bandwidth between central office and the other Missouri offices is currently shared Digital Signal 3 (DS3) connections. The state recognizes that the bandwidth will need to be increased. Increasing bandwidth will be addressed outside the scope of this project, but the state will work in conjunction with the contractor regarding the increase of bandwidth for this project.

**PARAGRAPH DELETED BY AMENDMENT #003**

**PARAGRAPH REVISED BY AMENDMENT #001**

4.6.14 *DELETED.*

**PARAGRAPH REVISED BY AMENDMENT #001**

- 4.6.15 The contractor must utilize a tool, such as Microsoft Team Foundation Server (TFS), to handle source code storage and version control. The contractor must work with the state and provide guidance and documentation on how the source code is controlled, based on best practices.
- 4.6.16 The contractor must design and develop the system to consolidate resource scheduling (e.g., location, personnel, etc.) and a personnel calendaring system (e.g., appeals referee's schedule of hearings and vacation) into one schedule, which must be integrated with the system. This shall enable the system to set default docket dates and locations with minimal or no manual intervention. It is highly desirable the application integrate with MS Exchange.
- 4.6.17 The contractor must design and develop the system to run on an MS Windows server environment utilizing Internet Information Services (IIS).

**PARAGRAPH ADDED BY AMENDMENT #003**

- 4.6.18 *The contractor must design and develop the system to allow telephone calls (e.g., hearings) to be recorded, stored, accessed, and associated to specific items (e.g., hearings, appeals).*

**PARAGRAPH ADDED BY AMENDMENT #003**

- 4.6.19 *The contractor must design and develop the system to allow the recordings of telephone calls to be electronically routed.*

**PARAGRAPH ADDED BY AMENDMENT #003**

- 4.6.20 *The contractor should design and develop the system to utilize and integrate speech recognition software (e.g., Dragon NaturallySpeaking, etc.) for appeal referees to create appeal decisions in the system.*

#### **4.7 Security:**

- 4.7.1 The contractor must design and develop the system to integrate with the state's Microsoft Lightweight Directory Access Protocol (LDAP) server or a database for all user authentication needs and be integrated with the department-wide security system. The contractor must design and develop the system to restrict access to authorized users based on security role and protect against fraud and error. The contractor must design and develop the system to store all security information (e.g., user ID, password, related accounts, security role, etc.) in one location.
- 4.7.2 The contractor must design and develop the system so that all users are assigned security roles based upon their business needs. User identifications (IDs) and security roles shall be managed in a single, centralized location within the application. The contractor must design and develop the system so that security roles and/or users can be added, updated, removed, or disabled immediately based upon business needs.
- 4.7.3 The contractor must design and develop the system so that all sessions and Web Services (internal and external) are executed via Hypertext Transfer Protocol Secure (HTTPS), and all certificates for the Uniform Resource Locators (URLs) must be from a reputable vendor that is bonded, such as VeriSign, Thawte, etc.
- 4.7.4 The contractor must design and develop the system with detailed logging and audit/tracking capabilities agreed to by the state.
- 4.7.5 The contractor must ensure that the system's data is encrypted. This includes data that is stored (data at rest outside of the main database) or transmitted (data in transit). The state shall identify the encryption standard to be used by the contractor.
- 4.7.6 The contractor must not design the system to have any embedded IDs, passwords, or connection data to external resources. All connections to external resources shall be configured in the system by the state's system administrator, with system IDs provided by the state's system administrator. At no point in time shall the connection data or system IDs be shared with anyone outside of the state, including contractors. Contractors will be given the connection names and types for all external connections for use within the code.
- 4.7.7 The contractor must design and develop the system to ensure security issues such as SQL injection, cross-site scripting, broken authentication, and session management, etc., are resolved (refer to [http://www.owasp.org/index.php/Category:OWASP\\_Top\\_Ten\\_Project](http://www.owasp.org/index.php/Category:OWASP_Top_Ten_Project) for the top 10 web application security risks for 2010). The state will utilize the IBM Rational AppScan tool to test for security issues before the application is deployed to the test environment. The contractor must resolve any security issues identified to the state's satisfaction before the application will be allowed to be deployed into the test environment.

#### **4.8 Imaging/Document/Content Management:**

<b>PARAGRAPH REVISED BY AMENDMENT #002</b>
--

- 4.8.1 The contractor must design and develop the system to utilize an imaging/document/content management system to seamlessly enable the business tier to store and access images and digital assets efficiently. The contractor must design and develop the system to utilize a modern content management system to manage all static content, which includes management of digital assets by providing a centralized, version controlled, secured, and streamlined process for authoring and publishing various digital content (e.g., forms; external rules and regulations; internal policies and procedures; news and announcements; etc.). (NOTE: The agency intends to utilize one location for scanning/imaging documents at its central office.)



<b>PARAGRAPH REVISED BY AMENDMENT #003</b>
--

<b>PARAGRAPH REVISED BY AMENDMENT #002</b>
--

- 4.8.2 The contractor's or subcontractor's staff must migrate/convert existing images, including any associated data (e.g., annotations), *that are housed in the IBM Content Manager Repository on* the current System i to the imaging/document/content management system implemented by the contractor and make appropriate changes to existing legacy programs that interact with the current System i. It is highly desirable that all images be migrated/converted to Portable Document Format (PDF) to simplify outside processing of images in the new system and migrate away from the current CM/WAF System i environment. The migration/conversion tasks must be included in the Document Management Development Initiative (refer to Section 5.4). The agency currently has 57.5 million images in the MO:DCA and TIFF formats. The agency is currently working on an image retention schedule and estimates 40 million images will need to be migrated/converted.
- 4.8.3 The contractor must design and develop the system so that image documents can be seamlessly viewed by internal and external users. It is highly desirable that imaged documents be viewed using a PDF viewer.
- 4.8.4 The image capture software currently used by the agency is Kofax v8.0, which has OCR capabilities. Currently, OCR is used to capture barcode, binary (yes/no), and multiple choice response-types of data. Where possible, the contractor must design and develop the system to use OCR, ICR, and barcode functionality to capture data while scanning forms and documents. This should greatly reduce data entry needs, improve data integrity by reducing data entry errors, and also improve processing times.
- 4.8.5 The contractor must design and develop all standard forms/envelopes to leverage barcoding. All outgoing paper correspondence used by the agency should contain a barcode identifying the type/purpose of the specific correspondence. Where applicable, identifying information, such as employer account number, should be barcoded on outgoing mail which will help process returned mail more efficiently.
- 4.8.6 The contractor must design and develop the system to utilize the fax servers located at the SDC to electronically receive and integrate faxes into the imaging/document/content management system, eliminating the expense of processing paper faxes and reducing scanning requirements.
- 4.9 Database:**
- 4.9.1 The state's database group will perform all administrative functions and work closely with the contractor staff.
- 4.9.2 The contractor shall be responsible for:
- Obtaining proper authorities from the state's database group and system administrators so that contractor staff can work with the database objects;
  - Creating the Data Definition Language (DDL) for the development environment database; and
  - Developing procedures and documentation for database backups and restores.
- 4.9.3 The contractor must ensure all existing agency data is consolidated into a single, integrated database that shall replace the VSAM files, flat files, USTAR databases, ERF Comments database, all Access databases, various Excel spreadsheets, etc.
- 4.9.4 The contractor must utilize a data modeling tool to design, define, and maintain the system database. This tool shall assist with the database design documentation requirements for the newly designed database. The contractor must use the data modeling tool to load all database modeling information and keep the model updated throughout the life of this project.

- 4.9.5 Due to the desired phased approach of this project, database design changes made by the contractor in a later phase may affect earlier phases already in production. The contractor must perform an impact analysis and correct any programs that were affected by the database change regardless of the phase in which the program was implemented.
- 4.9.6 The state acknowledges that completed phases deployed to the production environment will be maintained by the state technical staff, and database design changes may be necessary to complete an agency-requested enhancement to the system (e.g., law changes, etc.). The state will hold enhancements to a minimum during the project and will work closely with the contractor to minimize the impact of the database design change to future phases and deliverable timeframes.
- 4.9.7 The state currently maintains a DB2 High Availability Disaster Recovery (HADR) environment, and any database solution proposed by the contractor must have similar functionality.
- 4.9.8 When designing and developing the database for the system, the contractor must focus on the transactional data structure that supports the tax, benefits, and appeals applications. The transactional data structure must be designed and developed to ensure data integrity and fast support of the system. The database design must be normalized and built to address multiple simultaneous entries into the transactional database. Security, performance, and data integrity must be addressed in the transactional database design.
- 4.9.9 The contractor must apply rules of data normalization so that the model is in at least third normal form.
- 4.9.10 The contractor must apply de-normalization as required to optimize the performance of the database.

#### **4.10 Reporting:**

- 4.10.1 The contractor must design and develop the database so the following types of reports can be obtained from the system through the methods of dashboards/scorecards and interactive reports:
  - a. Operational reporting to report operational performance metrics;
  - b. Analytical reporting to report aggregations, comparisons to thresholds, and/or statistical analysis (or the results thereof); and
  - c. Ad hoc reporting to report precise and accurate values of the data in order to understand what needs are changing or are created from a tactical data entry perspective.
- 4.10.2 The state may utilize a data warehouse, based on the contractor's recommendation, to bring together information into a format conducive to making business decisions. The data warehouse should facilitate decision support processes such as trend reports, exception reports, and reports that show actual performance versus goals. If a data warehouse is utilized, the contractor must design and develop the data warehouse and determine how to implement the data warehouse to best suit the agency's requirements.
- 4.10.3 The contractor must utilize Business Intelligence (BI) software to provide a user-friendly tool/interface for ad hoc, operational, and analytical reports, which shall be subject to application security and authentication. The BI tool shall enable the user community to run custom reports with minimal technical support. The BI tool shall also help in analyzing trends, making strategic decisions, and providing the ability for dashboard presentation.
- 4.10.4 The contractor must design and develop the system with the ability to provide reports based upon input parameters identified by the state. The contractor must work with the state to identify the types of reports that are needed (e.g., reports of transactions, logins, etc.) and design and develop needed reports.

- 4.10.5 The contractor should reference Attachment 8 for a listing of current reports, which is not an inclusive list. For each report designed and developed, the contractor must provide a description of the report, identify the classification of the report (i.e., analytical, operational), delivery method, type of user classification the report is for (e.g., management, external, etc.), time frames, data volume, data sources, etc.

#### **4.11 System Development Standards:**

- 4.11.1 The contractor must architect the system to handle cross-cutting concerns such as authorization, transaction management, audit trail, user interface components, logging, and error handling at the application framework level and not at the individual services level to assure consistency throughout the application, reduce developer errors, and provide a consistent look, feel, and behavior to the end user. The state desires that experienced contractor resources identify these concerns up front and build the necessary framework.
- 4.11.2 The contractor must design and develop the system to perform validation of data on the server side [e.g., Asynchronous JavaScript and XML (AJAX)] and minimize the validation of data on the client side.
- 4.11.3 The contractor must design and develop the system to comply with the World Wide Web Consortium (W3C) standards, which can be found at <http://www.w3.org/>, for developing browser-based systems.
- 4.11.4 The contractor must design and develop the system to comply with application development guidelines, which can be found at <http://dmd.mo.gov/guidelines/>, set forth by the state Digital Media Developers (DMD) group.
- 4.11.5 The contractor must design and develop the system to comply with state standards, which can be found at <http://oa.mo.gov/itsd/cio/enterprisearch.htm>, in order for systems to be securely and efficiently administered by the state.
- 4.11.6 The contractor must design and develop the system to comply with IRS 1075 standards (refer to [www.irs.gov/pub/irs-pdf/p1075.pdf](http://www.irs.gov/pub/irs-pdf/p1075.pdf)).
- 4.11.7 The contractor must design and develop the system to be easy to maintain, support, and enhance. The system must be built based on proven design patterns and principles and must be architected to be a loosely coupled, highly cohesive, modular, object oriented, layered, extensible, and configurable system. The contractor must design and develop the system so that a single module can be disabled without disabling the entire system.
- 4.11.8 Section 191.863 of the RSMo requires state agencies to make information technologies accessible to individuals with disabilities (508 standards). To implement Section 191.863, RSMo, Missouri has established information technology accessibility standards, found at <http://www.oa.mo.gov/itsd/cio/standards/ittechnology.htm> and <http://oa.mo.gov/itsd/cio/architecture/domains/interface/CC-Accessibility-508FedStds-Lists041205.pdf>, which must be followed in the state's acquisition of IT products. Therefore, the system delivered by the contractor under this contract shall comply with the applicable accessibility requirements identified in the above-stated links. The contractor must promptly respond to any complaint brought to its attention regarding non-conformance of the products provided hereunder that were delivered as part of the contractor's awarded bid. The contractor must resolve such complaints by bringing the product into compliance with the applicable Missouri IT Accessibility Standards at no additional cost to the state. The contractor shall indemnify and hold harmless the State of Missouri and any Missouri government entity purchasing the contractor's products from any claim arising out of the contractor's failure to comply with the aforementioned requirements. For more information on Section 508 standards, refer to <http://www.section508.gov/>.

- 4.11.9 The contractor must build the application using a multi-tier architecture and framework (e.g., presentation, application, database layers, etc.) that facilitates rapid application development.
- 4.11.10 When setting up the new database, the contractor must adhere to standards established by the state's database group and OA-ITSD's database group. Since a new database environment will be set up for this project, the state is willing to review these standards and encourages the contractor to suggest improvements. Refer to paragraph 4.12.3 for additional requirements.
- 4.11.11 The contractor must assist the state in developing standards that will be used for this project, including but not limited to:
- a. Naming standards for:
    - 1) Programs;
    - 2) Database objects (including entity, attribute, and index names);
    - 3) Custom property files; and
    - 4) System property files, etc.
  - b. Coding methodology (e.g., how to query database such as utilizing stored procedures or direct queries, how to display error messages, etc.);
  - c. Field display standards (e.g., sorting of lists, drop down lists, etc.; blocking out parts of fields such as SSN, FEIN, etc.; dates; phone numbers; amounts; etc.);
  - d. Code migration standards; and
  - e. Code version control.
- 4.11.12 The contractor must design and develop the system to utilize Business Process Management (BPM) software to manage the workflow and seamless integration between the various business processes within the application.

<b>PARAGRAPH REVISED BY AMENDMENT #001</b>
--

- 4.11.13 The contractor must design and develop the system to use well-defined electronic interfaces to/from external entities. Refer to the external data flow diagram in Attachment 4. The contractor must assist the state with publishing electronic interface standards for external entities. These interfaces may be file-based, online, or Web Service transactions.
- 4.11.14 The contractor must utilize an Object Relational Mapping (ORM) tool to interact with the underlying database.
- 4.11.15 It is highly desirable for the state to have an automated tool to assess the impact of changes to entities, attributes, pages, etc., throughout the life of the system.
- 4.11.16 The contractor must design and develop the system with the ability to validate and sanitize address information at the time it is received from online entry or an external interface. OA-ITSD is currently licensed for CODE-1 Plus mailing and postal compliance software. It is highly desirable that the system use CODE-1 Plus to meet this requirement. This should vastly improve the quality of address data and reduce the amount of returned mail.
- 4.11.17 The contractor must provide online help for the entire system to internal and external users. The online help must be designed and developed in such a way that the agency will be able to maintain the help

easily on its own and does not require the application to be compiled and redeployed after each update to online help. The online help must be designed and developed in such a way that allows authorized internal users to configure and edit help text at the field and page levels, retaining individual editing and version control.

- 4.11.18 The contractor must design and develop the system to generate and send correspondence (e.g., letters, forms, checks, etc.) electronically (e.g., e-mail, notification on website, imaging, SFTP, etc.) or by post (e.g., regular, bulk, certified, etc.). The offeror should reference Attachment 10 for a listing of current correspondence, which is not an inclusive list.

**PARAGRAPH REVISED BY AMENDMENT #003**

- 4.11.19 The contractor must implement a tool *or custom solution* that allows customer support requests and resolutions to be captured and available as a knowledge base for future support requests.
- 4.11.20 The contractor must provide enhanced, integrated IVR functionality. It is highly desirable the contractor utilize the state's current IVR technology (see paragraphs 2.9.4.h and 2.9.5.d.).
- 4.11.21 The contractor must implement occupational coding software. It is highly desirable the contractor utilize ITSC's OccuCoder.
- 4.11.22 The contractor must design and develop the system to fully and seamlessly integrate with the ICON system.
- 4.11.23 The contractor must implement a SUTA dumping detection system. It is highly desirable the contractor utilize ITSC's SDDS.
- 4.11.24 The contractor must create an Error Message document that contains a catalog of error messages that will be referenced in the Design Specifications (refer to paragraph 4.12.4). The contractor must design and develop the system to access Error Messages from a common source to allow for global updates.
- 4.11.25 The contractor must create a Requirements Traceability document that includes but is not limited to a matrix of functional and technical requirements identified during design sessions for each Development Initiative, resolution of the requirements (e.g., met, met differently, met partially, not met, etc.), how and where the requirements are satisfied, and explanation/reason if the requirements are modified along with dates of state approval.
- 4.11.26 The contractor must create and utilize a Development Standards document, which must include at least:
- a. A description of common patterns (e.g., date format, telephone format, etc.) to be used in the software design;
  - b. The development techniques (e.g., navigation, edits, version identification, real-time or batch updates, etc.) used during the lifecycle of this project;
  - c. A description of presentation/appearance (e.g., page layout/design, drop down lists, list views, colors, fonts, margin justification, error message location, etc.) to be used in the software design; and
  - d. Instances when detailed in-line comments are necessary to enhance the maintainability of programs.
- 4.11.27 The contractor must conduct system design sessions. During the system design sessions, the contractor must identify and document detailed functional and technical requirements, business rules, and information for the Design Specifications (refer to paragraph 4.12.4).
- a. High-level functional and technical requirements are categorized into 25 Development Initiatives as listed in Exhibit D.1.A. Future process flow diagrams and process detail sheets are included in

Attachment 5. It is highly desirable the offeror's solution meet all the high-level functional and technical requirements in Exhibit D.1.A and Attachment 5.

- b. The high-level functional and technical requirements, and process flow diagrams and process detail sheets, are not all-inclusive and must be expanded upon during the system design sessions.
- c. Requirements related to design (e.g., default values for drop down lists, how to display data, etc.) are **not** included in the high-level requirements in Exhibit D.1.A and must be identified during the system design sessions. The design requirements shall become part of the detailed functional and technical requirements.
- d. The detailed functional and technical requirements and business rules identified and documented during the system design sessions shall be binding upon the contractor.
- e. The contractor should reference Attachment 11 for a **draft** of proposed detailed functional and technical requirements. It is highly desirable these proposed requirements be used in system design sessions to identify the finalized list of detailed functional and technical requirements.

#### **4.12 Deliverable Requirements:**

4.12.1 The contractor must provide the following project, phase, and development initiative deliverables as defined in detail below. Each of these deliverables must meet the criteria listed for that deliverable.

4.12.2 **Project deliverables** include the Project Plan and Infrastructure Plan. The project deliverables are defined in detail below.

- a. **Project Plan:** The contractor must produce a Project Plan containing a description of the detailed work plan and schedule by project phase. The contractor must deliver the Project Plan to the state as described herein. The Project Plan must be developed in accordance with the Missouri Project Management Best Practices Reference Manual (<http://www.oa.mo.gov/itsd/cio/projectmgmt/projectmgmtrefmanual.htm>) and must at a minimum, include the following:
  - 1) Project Scope Management Plan - This plan must describe how the contractor will develop, update, and maintain the scope for the project.
  - 2) Project Work Breakdown Structure (WBS) - The Project WBS shall, at a minimum, identify all tasks, deliverables, and milestones for each phase of the project; start date, end date, and work effort for all tasks; task dependencies; and resource allocation by task and role. The WBS shall identify task duration estimates, task sequence, critical path identification, and time control methods. The WBS must provide a sufficient level of detail for the project. The test and development plans for each Development Initiative (refer to paragraph 4.12.4) must provide additional level of detail required for tasks within the initiative.
    - As referenced in paragraph 2.6.3, it is highly desirable that the proposed solution implement the benefits-related Development Initiatives (refer to Section 5) as early in the project as possible.
  - 3) Quality Management Plan - This plan must identify the criteria required for completion of each deliverable; the quality assurance process used to ensure the deliverables are of the highest quality; and the quality control process used to track the ongoing activities of the project team.
  - 4) Staffing Management Plan - This plan shall be broken down by project phase and should include organizational charts with defined roles and responsibilities; job descriptions; and contact information. The Staffing Management Plan must incorporate all state staff and contractor staff.

- 5) Communication Management Plan - This plan shall identify how the contractor's Project Manager will communicate with the state's Project Manager and team leads on a daily or weekly basis, as needed, regarding project progress and activities, and ensure adequate communication among all project stakeholders.
- 6) Change Control Plan - This plan must describe how changes to the project scope will be managed and will include procedures for identifying change requests; a description of the change control system to track the change requests; and subsequent activities required to implement the changes.
- 7) Risk Management Plan - This plan shall describe the identification and tracking of internal and external risks; the evaluation and prioritization of risks; and the risk mitigation process.
- 8) Defect, Error, Issue, and Enhancement Tracking Plan – This plan must explain how defects, errors, issues, and enhancements are to be reported, communicated, and distributed to appropriate team members (refer to Section 4.16).
- 9) Assumptions used to develop each plan.

**PARAGRAPH ADDED BY AMENDMENT #003**

- 10) *Change Management Plan - This plan shall describe procedures and/or technologies to deal with changes in the business or system environment and shall include procedures for adapting to change, controlling change, and effecting change.*
- b. **Infrastructure Plan:** The contractor must develop an Infrastructure Plan to implement their proposed solution. The plan shall include the following:
- 1) Explanation of all environments that will be utilized to implement the contractor's proposed solution. The contractor must provide documentation that clearly defines the multiple environments and defines the promote-to-production process that enforces a strictly defined methodology for movement through the multiple environments, with the ability to "roll back" to a previous version. The contractor must identify all hardware and software required to implement the contractor's proposed solution in the multiple environments.
  - 2) Any upgrades required to the existing state infrastructure components planned to be utilized along with upgrades to existing desktops and laptops, including platforms, operating systems, software versions, etc.
  - 3) Schedule of all activities and resources needed to establish the new infrastructure.
  - 4) Description of how the infrastructure shall address the following technologies along with any other areas required for the development and ongoing operations of the application, including but not limited to:
    - Capacity planning;
    - Disk utilization;
    - Middleware configuration and management;
    - Platform interfaces;
    - Security;
    - High reliability;
    - High performance;
    - Scalability;
    - Integration; and
    - Transition.

- 5) Infrastructure diagrams, network architecture diagrams, platform architecture diagrams, high-level application architecture diagrams, interface diagrams with other systems, and any additional documentation needed to support the new infrastructure.
- 6) Assumptions used to develop the plan.

4.12.3 **Phase deliverables** shall include the Database Management Plan, Legacy Data Plan, Implementation Plan, and Phase Completion. The phase deliverables are defined in detail below.

- a. **Database Management Plan:** The contractor must submit a Database Management Plan that must include the Database Design and the Data Quality Management Plan.
  - 1) Database Design - The contractor must submit a Database Design to the state for each phase of this project. The contractor should utilize the current legacy data structure in Attachment 4.1. The Database Design must include the following:
    - Entity Relationship Diagram that fully describes each entity, the relationships and dependencies to other entities, and delete rules;
    - All primary key, foreign key, composite key, and non-key attributes for each entity including domains and all technical and business metadata (e.g., constraints, etc.) that fully describes each attribute and its associated entity (i.e., data dictionary);
    - Data integrity rules for entity and referential integrity (e.g., insert, modify, and delete rules);
    - Identification of how database design changes will impact phases already in production (e.g., programs and documentation that will need to be modified, etc.), including timeframes to implement the necessary modifications;
    - Explanation of any de-normalization required to optimize the performance of the database;
    - Create, Read, Update, and Delete (CRUD) matrix, which illustrates the relationships between business processes and the data;
    - Other documentation needed for the state to support and maintain the database.
  - 2) Data Quality Management Plan - The contractor must submit a Data Quality Management Plan and a quality detection foundation that the state can implement. The goal is to produce an ongoing plan that shall reduce the amount of time and cost of fixing data defects. The Data Quality Management Plan must provide the following:
    - Data Validation Process – The contractor must, during the requirements definition, identify data validation opportunities and build processes during the initial development to provide validation that proactively detects data defects and monitors the number of defects. The contractor must distinguish critical metrics and indicators in the data model, which shall provide the ability to detect critical defects. Critical data profiling techniques must be implemented that leverage existing tools to quickly understand those data elements with contents outside what would normally be expected (e.g., daily deposit exceeding “X” amount of dollars).
    - Error Reporting Process – The data stores must proactively identify source data that falls outside the business rules or definitions for source data. The contractor must develop processes to identify poor source data and alert the state to resolve the poor source data. Through an effective, consistent communication process, the system can alert the state to transaction system inadequacies. The data design must put into place reporting processes that track the number of source system defects over time.
    - Repair Process – The state recognizes that it is not possible to define a standard process to fix data after it has been stored; however, the contractor must develop a consistent process that identifies and/or isolates the data defect. The process must take into consideration all the measures that are needed when repairing data defects such as, but not limited to, a process to identify the data defect, alert the state, isolate the contributory data, and identify automation to be used for any necessary reprocessing of source data.



- Data Quality Checklist – The contractor must provide a Data Quality Checklist to be used during the requirements definition to identify processes and standards that shall be adhered to during the project for building measures to prevent data quality issues. Measures must be implemented in the data structure to support data quality. Standards for data integration must be updated and applied by all development teams.
- 3) Assumptions used to develop each plan.
- b. **Legacy Data Plan:** The Legacy Data Plan must include a detailed explanation of the conversion by the contractor of existing data into the new database and address how the data will be bridged and synchronized between the new system and the legacy system for each phase of the project. The contractor should utilize the current legacy data structures in Attachment 4.1. The Legacy Data Plan must include sections on Conversion and Data Bridging and Synchronization.
- 1) Conversion Plan - The contractor must deliver a detailed Conversion Plan, which shall include, at a minimum, the following:
- Techniques and associated tools used to track, document, and manage the conversion.
  - A cross reference of all fields in the legacy system (e.g., VSAM, flat files, DB2, Access, Excel, etc.) to the attributes in the new system's database, showing how each field is converted, including any specific conversion rules that are applied. Any fields that are being eliminated must be identified and documented as to why they are being removed. Any attributes that will not have associated legacy data must be identified and documented.
  - Explanation of how data cleansing will be completed by the contractor to scrub data in order to correct deficiencies.
  - Clear identification in detail of all steps, tasks, activities, events, milestones, timelines, and resources necessary for the contractor to complete the conversion to the new system's database in a manner so that the system will operate in full compliance with the specifications and requirements described herein.
  - Proposed conversion strategy that will minimize the impact on internal and external users. The internal and external users must continue to have access to the production legacy system and the new system from at least 6:00 a.m. to 6:00 p.m. Central Time, Monday through Friday. Special peak usage times (e.g., filing of quarterly CW reports, specific days during the week for claim filing) must be taken into consideration when designing the plan.
  - Detailed programming specifications for conversion programs that shall include a description of the program explaining what data is being converted, the legacy system files that are input into the program, the new system files that are being output, and any special instructions that shall help the state to understand what the program is doing and how the data was converted.
  - Level of effort and staff assignments for each conversion program.
  - Test plan that explains in detail how the contractor plans to test the conversion and verify the integrity of the converted data.
  - Conversion test cases to test the results of the data conversion process, placing emphasis on verifying that the data has been converted correctly and that programs developed in the new system shall handle the converted data correctly.
  - Risk assessment and mitigation strategy associated to the conversion.
- 2) Data Bridging and Synchronization Plan - The contractor must produce a detailed Data Bridging and Synchronization Plan, which shall include, at a minimum, the following:
- Techniques and associated tools used to track, document, and manage the bridging and synchronization of data.
  - Clear identification in detail of all steps, tasks, activities, events, milestones, timelines, and resources necessary for the contractor to bridge data between the new system and the legacy system in a manner so that the systems shall operate and function properly.

- Identification of any procedural changes, programming changes, or program functionality that needs to be discontinued in the legacy system as a result of the bridge process.
- Proposed bridging and synchronization strategy that will minimize the impact on the internal and external users and explain the schedules of the bridging and synchronization jobs. The internal and external users must continue to have access to the production legacy system and the new system from at least 6:00 a.m. to 6:00 p.m. Central Time, Monday through Friday.
- Detailed programming specifications for data bridging and synchronization programs that shall include a description of the program explaining what data is being synchronized, the new system and legacy system files that are input or output into the program, and any special instructions that shall help the state to understand what the program is doing and how the data is bridged and synchronized.
- Level of effort and staff assignments for each bridging and synchronization program.
- Test plan that explains in detail how the contractor plans to test the bridging and synchronization and verify the integrity of the bridged data.
- Bridging and synchronization test cases to test the results of the bridging and synchronization process, placing emphasis on not only verifying that the data has been bridged and synchronized correctly, but also that the programs in the new system and legacy system will handle the bridged and synchronized data correctly.
- Risk assessment and mitigation strategy associated to the data bridging and synchronization.

3) Assumptions used to develop each plan.

- c. **Implementation Plan:** The contractor must produce an Implementation Plan for each phase of the project. This plan must be delivered to the state at least 90 days prior to the scheduled production implementation date. The plan must include, at a minimum, the following:

- 1) Identification and explanation of tasks (e.g., preparation of tables, files, programs, infrastructure, server connections, conversion, etc.) necessary for the state to deploy the phase to the production environment.
- 2) Coordination and communication with all business areas, business management, and all IT infrastructure groups affected by the implementation well in advance of the scheduled date.
- 3) Staffing plans and assignment of tasks for all staff involved in the implementation; verification; and defect, error, or issue resolution for the phase.
- 4) Identification of new business processes and procedures that will be implemented.
- 5) Training Plan, which must include, at a minimum:
  - Recommended training by business area for all staff on the use and operation of the system.
  - “Train the trainer” sessions provided by the contractor for key staff identified by the agency.
  - Recommended training for the state technical staff in the operation, configuration, maintenance, and technical support of the system. The contractor must explain how training will occur for the state technical staff. The contractor must include sufficient instruction, training, time, and resources to assure that state personnel are able to properly operate and maintain the system.
  - Training documentation and materials.
  - Schedule and timelines for when training will be conducted. Training must be conducted prior to the implementation of each system phase into production.
- 6) Final verification that the system is properly operating in the production environment.

- 7) Explanation of how the contractor plans to monitor the solution once installed into production during the warranty period (refer to Section 4.17).
  - 8) Other documentation needed for the state to manage and maintain the system.
  - 9) Assumptions used to develop the plan.
- d. **Phase Completion:** The contractor must successfully implement the Database Management Plan, Legacy Data Plan, and Implementation Plan per the approved plans.
- 1) The contractor must successfully build the DDL for the development environment database for the system based upon the defined phase, and coordinate with the state to install the database into production as identified in the Database Management Plan.
  - 2) The contractor must successfully convert all production data from the legacy system and other external data to the new system, and successfully bridge and synchronize production data between the new system and legacy system as defined for the phase. The contractor must implement and complete all items defined in the Legacy Data Plan.
  - 3) The phase must be successfully installed into production and all items defined in the Implementation Plan must be completed.
  - 4) The state shall only formally sign off on the phase for payment when all requirements for the phase have been completed and installed into production for the entire phase.

4.12.4 **Development Initiative deliverables** include the Design Specifications, Development Plan, Test Plan, and Development Completion. The development initiative deliverables are defined in detail below.

- a. **Design Specifications:** The contractor must provide detailed Design Specifications for each of the Development Initiatives, defined in Section 5, within each phase.
- 1) The contractor must perform a gap analysis to identify any new or changed functional and technical requirements and new or changed business process flow diagrams.
  - 2) The contractor may begin development before formal approval of the Design Specifications; however, if changes to the specifications occur before the state formally approves the Design Specifications for the Development Initiative, the contractor must perform any rework necessary. The state shall only formally approve the Design Specifications when all specifications have been identified for the entire Development Initiative.
  - 3) The Design Specifications must include, but are not limited to the following:
    - Summary of changes listed in a revision history that identifies, at a minimum, the document version number, change date, change description, and author;
    - Detailed business rules that are applied to each process including any workflow, follow-up, correspondence, history, USDOL requirements for reporting and accuracy reviews, etc.;
    - Brief description of each page, basic page layout, reference to error messages to be utilized from the Error Message document (refer to paragraph 4.11.24) and page navigation;
    - Description of actions that occur on the page and an explanation of when the actions will occur (e.g., workflow, notifications, correspondence, file updates, etc.);
    - Details on external interfaces, such as, but not limited to:
      - What action or condition causes information to be transferred;
      - Communication protocols (e.g., Web Service), if required.

- 4) The contractor must keep the Design Specifications updated throughout the life of the project and put procedures in place for the state to maintain these specifications throughout the life of the system.
- b. **Development Plan:** The contractor must provide a detailed Development Plan to the state that explains how development shall be accomplished to meet the Design Specifications of each Development Initiative. This plan must include, but is not limited to, the following:
  - 1) A list of each development task and development assignment, which must include all state and contractor staff assignments, along with a breakdown of time allotted for each assignment.
  - 2) Detailed program specifications explaining how the program design supports the business process, interfaces, and requirements.
  - 3) Cross reference by program or group of programs to identify the functional and technical requirements and future process flows addressed by the program(s).
  - 4) Flow charts, component and class diagrams, and/or any other methods utilized by the contractor to diagram program specifications.
  - 5) Assumptions used to develop the plan.
- c. **Test Plan:** The contractor must provide a Test Plan for each Development Initiative of each phase. The state requests that the contractor put strong emphasis on all forms of testing during the development process. The Test Plan must be kept updated throughout the life of the project and shall be reviewed by the state's Project Manager and team leads at any time (refer to Section 4.15). The Test Plan must include, but is not limited to, the following:
  - 1) Identification of state and contractor resources, tasks, and time commitments needed in order to carry out the plan. Time must be built into the Project Plan schedule to adequately monitor and evaluate the testing to ensure that the system conforms to all of the requirements.
  - 2) Schedule for each of the levels of testing.
  - 3) Creation of formal test cases to be used throughout the testing levels of each Development Initiative within each phase. The contractor shall be responsible, with the assistance of agency staff, to create test cases that shall test new units of code. The test cases must incorporate all areas of the business and must address both existing functionality that the agency requires today and new functionality. The state looks favorably on both positive and negative testing of each requirement. Test cases must include, but are not limited to, the following:
    - Fields in test case;
    - Test case ID;
    - Internal and/or external users to perform the test;
    - Assumptions;
    - Test data to include variables and their values;
    - Steps to be executed;
    - Expected results;
    - Actual results;
    - Pass/Fail; and
    - Comments.
  - 4) Procedures for reporting any defects, errors, issues, or enhancements found during testing (refer to Section 4.16).
  - 5) Assumptions used to develop the plan.

- d. **Development Completion:** The contractor must successfully implement the Design Specifications, Development Plan, and Test Plan for each Development Initiative.
- 1) The contractor must successfully develop the system per the approved Design Specifications for the Development Initiative.
  - 2) The contractor must successfully build the system for the Development Initiative.
  - 3) The contractor must ensure the system has been successfully tested for the Development Initiative. As the developer promotes completed code into each environment, the Test Plan shall be utilized for the testing procedures. The contractor must implement and complete all items defined in the Test Plan.
  - 4) Following the agency review of the system test results, the state must approve all test results and be satisfied that the system shall perform as intended. The contractor shall send to the state the final successful system test results upon completion of user acceptance testing of each Development Initiative. The state will then authorize payment of the completed Development Initiative.

#### **4.13 Deliverable Review/Acceptance/Approval:**

- 4.13.1 The contractor must indicate what specific deliverables are being submitted to the state for the team lead review. The state team lead review period for deliverables shall be a minimum of 15 business days from the date of submittal, unless otherwise agreed to in writing by the state and the contractor for specific deliverables. The state team lead review period begins the following business day after date of delivery. The state shall provide the contractor a written reason if additional review time is needed for a deliverable. (NOTE: The state team leads must have 15 separate, non-overlapping business days to review each deliverable. For example, if two deliverables are submitted to the state on the same date, the state team leads will have 30 business days to review the two deliverables.) The state, along with the contractor, must use “track changes” or a state-approved comparable solution to identify changes made to the deliverables. When reviewing revised deliverables from the contractor, the 15 business day state team lead review period starts over from the new date of submittal of the revised deliverable.
- 4.13.2 State team lead review shall be confirmed with the Deliverable Review Form (Attachment 6). Once the state team lead review is complete, the state Project Manager will submit the deliverable to the Steering Committee for acceptance/approval. The Steering Committee review period for deliverables shall not start until the Deliverable Review Form has been completed by the state team leads.
- 4.13.3 The Steering Committee must have a minimum of five (5) business days to review and accept/approve a deliverable from the date of submittal by the state Project Manager, unless otherwise agreed to in writing by the state and the contractor for specific deliverables. The review period begins the following business day after date of delivery. The state shall provide the contractor a written reason if additional review time is needed for a deliverable. [NOTE: The Steering Committee must have five (5) separate, non-overlapping business days to review each deliverable.] If the state team lead review takes less than 15 business days, the Steering Committee shall receive the state’s remaining team lead review days in addition to its original five (5) business days. The state, along with the contractor, must use “track changes” or a state-approved comparable solution to identify changes made to the deliverables. When reviewing revised deliverables from the contractor, the five (5) business day Steering Committee review period starts over from the new date of submittal of the revised deliverable.
- 4.13.4 Acceptance/approval of a deliverable shall be provided to the contractor in writing by the Steering Committee at the end of the Steering Committee review period. As each of the deliverables listed in Section 4.12 is completed, the contractor must obtain acceptance/approval from the Steering Committee before that deliverable shall be deemed completed and therefore eligible for payment. Only

“accepted/approved” deliverables shall be authorized for payment (refer to Exhibit A). Work may continue on additional deliverables during the review period of the acceptance process. Acceptance/approval shall be confirmed with the Deliverable Approval Form (Attachment 7). The state shall not unreasonably withhold acceptance/approval.

#### **4.14 Conversion, Bridging, and Data Synchronization:**

<b>PARAGRAPH REVISED BY AMENDMENT #001</b>
--

- 4.14.1 The contractor’s or subcontractor’s staff must manually convert and/or develop programs to convert all existing data (refer to paragraph 4.9.3) to the new system’s database. The contractor must work with the state to develop and implement a plan for data conversion to the new system. All data conversion services, including data extraction, data cleansing, formatting data into data structures, loading of data to the database, etc., must be performed by the contractor or subcontractor on-site at the agency’s facility. The offeror should reference information about the current state of the architecture and legacy system data structures in Attachments 4 and 4.1 to understand the agency’s existing data. Data integrity and success of the new system shall be significantly dependent on the quality and completeness of the converted data. The data conversion will take substantial time and effort and must be tracked as a separate set of tasks. The state acknowledges state staff will need to be involved with some types of data cleansing activities, such as entering data that is needed in the new system which does not currently exist on specific records in the legacy system; however, correcting the format of data (e.g., addresses, officer titles, etc.) shall be the responsibility of the contractor.
- 4.14.2 The contractor must provide data bridging and synchronization between the new system and the legacy system. Production legacy system must continue operations until all phases of the new system are fully implemented. It is the intention of the state that as each phase of the new system is implemented, current functionality in the legacy system that is being replaced must be immediately discontinued in its entirety. However, since the data shall continue to be used in other areas of the legacy system, the contractor must design and develop a bridge to populate the legacy system with data coming into the new system on a regular basis. The contractor must run the conversion one time for each phase. From that point forward, data must be bridged from the new system back to the legacy system on a regular schedule. It is highly desirable to have data flow in only one direction, from the new system into the legacy system; however, if a need is identified for data to flow from the legacy system to the new system, data must be synchronized on a real-time basis. At the end of the last phase of the project, there must be a final reconciliation between the two systems to migrate all remaining data from the legacy system into the new system.
- 4.14.3 The contractor must design and develop an employer account number structure that is agreed to by the state to resolve the agency’s current problems of employer account numbers changing often, logic being built into employer account numbers, and employer account numbers having to be reused due to lack of available numbers (refer to Attachment 3).
- 4.14.4 The contractor must identify and modify existing legacy system programs that must change to accommodate bridged data (e.g., employer account number format).
- 4.14.5 The contractor must utilize an Extract, Transform and Load (ETL) tool for loading and updating the database (e.g., the initial conversion of each phase, loading the data warehouse, etc.).
- 4.15 Testing:**
- 4.15.1 The contractor must utilize a testing software tool for this project to address the various levels of testing, which includes unit test, integration test, system test, automated regression test, load test, and user acceptance test (UAT).
- 4.15.2 Testing shall be incorporated very early and often in the development cycle and must utilize all or a select number of the agency’s statewide offices to participate.

- 4.15.3 All levels of testing must be performed in an environment that is an approved, production-simulated environment installed by the state.
- 4.15.4 The contractor and the state shall mutually determine completion dates for the contractor to resolve the defects, errors, and issues found in the test environment.
- 4.15.5 Following the agency review of UAT results, the agency reserves the right to request the contractor to repeat testing of any test category the agency finds unacceptable. The state must approve all UAT results and be satisfied that the system shall perform as intended.
- 4.15.6 Refer to Section 4.17 regarding completion timeframes for defects, errors, and issues found in the production environment during the warranty period.

#### **4.16 Defect, Error, Issue, and Enhancement Tracking:**

##### **PARAGRAPH REVISED BY AMENDMENT #001**

- 4.16.1 The contractor must utilize error tracking software, such as TFS, to track and manage defects, errors, issues, and enhancements reported in all areas of this project by internal or external users, including the date and manner of resolution.

##### **PARAGRAPH REVISED BY AMENDMENT #001**

- 4.16.2 The contractor must work with the state to identify procedures on how to report defects, errors, and issues in the error tracking software and how this shall be managed from the time a defect, error, or issue is reported until it has been closed, including correcting the defect, error, or issue; how the defect, error, or issue was corrected; and how the re-testing is planned.

##### **PARAGRAPH REVISED BY AMENDMENT #001**

- 4.16.3 Internal users must be able to report defects, errors, and issues directly into the error tracking software in order for the contractor and/or the state to track, manage, and resolve defects, errors, or issues in a timely and efficient manner.
- 4.16.4 The state shall determine if reported items are defects, errors, or issues for the contractor to correct or if reported items are enhancements for the state to make modifications.
- 4.16.5 The state shall assign severity and priority levels on all defects, errors, and issues [refer to definition for Severity (Priority) Level in Section 2.11].
- 4.16.6 The contractor must resolve all defects, errors, and issues deemed as Severity Level 1 and 2 by the state prior to implementation to the production environment. Severity Level 3 and 4 defects, errors, and issues shall not prevent completion of the UAT and acceptance for that deliverable or phase. Severity Level 3 and 4 defects, errors, and issues must be corrected during the warranty period in the timeframe indicated in paragraph 4.17.5 from date of implementation.

#### **4.17 Warranties:**

- 4.17.1 The contractor must provide at minimum a 180-day warranty for each phase that is installed into production.
- 4.17.2 The warranty period shall commence upon the date of installation into production for each phase. The contractor shall warrant that the system shall conform to the mandatory technical, functional, and performance requirements described in this RFP and in the specifications determined at the time of design and development. The contractor shall also warrant that the system shall perform and operate in accordance with the documentation produced for the phase.

- 4.17.3 The contractor must provide at minimum a 180-day final warranty period, which shall not run concurrent with the warranty period for the last phase implemented. The final warranty period is for the purpose of verifying and correcting any defects, errors, or issues related to how all components, interfaces, and phases of the system solution integrate and operate with each other in accordance with the requirements described herein.

**PARAGRAPH REVISED BY AMENDMENT #001**

- 4.17.4 The contractor must respond to all defects, errors, and issues reported during the warranty periods with a resolution and timeframe to correct the defects, errors, or issues by updating the error tracking software. The contractor must respond to all severity level defects, errors, and issues in the following timeframes (see Liquidated Damages in Section 3.7):
- a. Severity Level 1 (Urgent) response must be within one (1) clock hour
  - b. Severity Level 2 (High) response must be within two (2) clock hours
  - c. Severity Level 3 (Medium) response must be within two (2) clock hours
  - d. Severity Level 4 (Low) response must be within two (2) clock hours
- 4.17.5 The contractor must correct all severity level defects, errors, and issues at the contractor's expense that are reported during the warranty period for each phase. The contractor must notify the state when the defect, error, or issue corrections are resolved. Before any corrections are implemented into production, the state must test and approve the corrections. The contractor must correct all severity level defects, errors, and issues in the following timeframes, which do not include user testing and implementation (see Liquidated Damages in Section 3.7):
- a. Severity Level 1 (Urgent) corrections must be resolved within four (4) clock hours after being reported, unless otherwise agreed to by the state.
  - b. Severity Level 2 (High) corrections must be resolved within eight (8) clock hours after being reported, unless otherwise agreed to by the state.
  - c. Severity Level 3 (Medium) corrections must be resolved within 120 clock hours after being reported, unless otherwise agreed to by the state.
  - d. Severity Level 4 (Low) corrections must be resolved within 240 clock hours after being reported, unless otherwise agreed to by the state.
- 4.17.6 Any exceptions to the response and correction timeframes must be requested in writing by the contractor to the state Project Manager and agreed to by the state.
- 4.17.7 Each correction that is installed into production must have a minimum 15-day warranty period.
- 4.17.8 If the state does not notify the contractor of any defects, errors, or issues within the warranty period, the state shall be deemed to have accepted the phase's deliverables.
- 4.17.9 The contractor must identify in writing all third-party warranties that the contractor receives in connection with any product provided to the state. The contractor hereby passes through to the state the benefits of all such warranties, provided that nothing in this section shall reduce or limit the contractor's obligations under this contract.



## 5. DEVELOPMENT INITIATIVES

This section of the RFP defines the Development Initiatives proposed by the state for this project. The high-level functional and technical requirements relating to the Development Initiatives are listed in Exhibit D.1.A. Response to the high-level functional and technical requirements by the offeror is requested in Exhibit D.1.A of this RFP. In the event the offeror's proposal is accepted by the state, all mandatory requirements and the offeror's response to highly desirable or desirable requirements shall be binding upon the offeror.

### 5.1 General:

- 5.1.1 Each Development Initiative shall have functional and/or technical requirements that must be met and also future process flow diagrams identified that explain the process flow for the business areas. The future process flow diagrams shall be used as a starting point at the design sessions. The system must provide the functionality described in the Development Initiatives below, as well as the requirements identified in Exhibit D.1.A, and adhere to the process abilities identified in the future process flow diagrams and process detail sheets in Attachment 5. The high-level functional and/or technical requirements listed within Exhibit D.1.A may apply to multiple process flows in Attachment 5.
- 5.1.2 The agency will be realigned to better fit the future process flows. The Proposed Organizational Chart is depicted in Attachment 9.
- 5.1.3 The 25 Development Initiatives are defined in the following sections and are intended to give the contractor a high-level overview of the functionalities to be developed during each initiative.

#### PARAGRAPH ADDED BY AMENDMENT #003

- 5.1.4 *Development Initiatives may be placed into more than one phase.*

### 5.2 Foundational Elements:

- 5.2.1 The Foundational Elements Development Initiative encompasses agency-wide processes and changes; development of a web-based system; integrated workflow; electronic interfaces with external entities; integrated security infrastructure; system logging and history; etc.
- 5.2.2 The future process flow diagram identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
US-070	Customer Service

### 5.3 Master Data Management:

- 5.3.1 The Master Data Management Development Initiative shall encompass conversion of existing data into the system; creation and maintenance of user accounts and profiles with role-based permissions; record management [e.g., change to address, e-mail, telephone number, password; National Change of Address (NCOA); payment method updates; etc.]; information verification [e.g., SSA, Systematic Alien Verification for Entitlements (SAVE), etc.]; detailed audit, history, and tracking ability; etc.
- 5.3.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
US-030	Verification
US-040	Record Management

#### 5.4 Document Management:

- 5.4.1 The Document Management Development Initiative shall encompass core imaging functionalities (e.g., imaging, indexing, routing documents to appropriate process or work queue, etc.), the migration/conversion of existing images to a single web-friendly format (e.g., PDF, etc.), the addition of barcodes and/or zoned text containing identifying data on all outgoing documents, etc; and content management (e.g., managing static content, digital assets, etc.).
- 5.4.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
US-010	Mail Processing
US-020	Imaging

#### 5.5 Employer Establishment:

- 5.5.1 The Employer Establishment Development Initiative shall encompass the creation and establishment of an employer record.
- 5.5.2 The future process flow diagram identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
ES-010	Establish Account

#### 5.6 Employer Maintenance:

- 5.6.1 The Employer Maintenance Development Initiative shall encompass the automatic maintenance, validating, updating, processing, etc., of all changes to an employer account based on data entered via the system.
- 5.6.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
ES-020	Change Account Status or Other Changes
ES-030	Reporting Structure
ES-080	Experience Rating

#### 5.7 CW Reports:

- 5.7.1 The CW Reports Development Initiative shall encompass the managing and processing of CW report data (e.g., original, amended, supplemental, breakdown, etc.).
- 5.7.2 The future process flow diagram identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
ES-070	CW Reports

**5.8 Employee Leasing:**

- 5.8.1 The Employee Leasing Development Initiative shall encompass the creation, establishment/association, and maintenance of leasing employers (PEOs) and the entities they are leasing employees to (client lessees).
- 5.8.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

<b>Future Process Flow Diagram</b>	<b>Description</b>
ES-040	Leasing
ES-050	Leasing Review

**5.9 Tax Adjustments & Determinations:**

- 5.9.1 The Tax Adjustments & Determinations Development Initiative shall encompass the system taking appropriate actions based on business rules for data entered, which results in generation of determinations, redeterminations, amended determinations, etc., to employers; processes surrounding adjustment activities to an employer's account; etc.
- 5.9.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

<b>Future Process Flow Diagram</b>	<b>Description</b>
FS-090	Adjustments (for Tax)
FS-100	Determinations (for Tax)

**5.10 Cashiering:**

- 5.10.1 The Cashiering Development Initiative shall encompass the processes surrounding the receipt, entry, and application of incoming payments from employers, claimants, bankruptcy courts, etc.; depositing of the payments into the correct fund; interactions with other entities (e.g., banking institutions, DOLIR Financial Management Section, etc.); development of different payment options; etc.
- 5.10.2 The future process flow diagram identified in Attachment 5 and referenced below shall be included in this Development Initiative:

<b>Future Process Flow Diagram</b>	<b>Description</b>
FS-010	Cashiering

**5.11 Payments:**

- 5.11.1 The Payments Development Initiative shall encompass the processes surrounding the setup and generation of outgoing payments (e.g., refunds; benefits; reissuing of checks when it is verified check was lost, stolen, etc.; child support withholdings; etc.) issued from the agency to employers, claimants, other state agencies; identification of the correct fund from which the outgoing payment is being issued; etc.
- 5.11.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

<b>Future Process Flow Diagram</b>	<b>Description</b>
FS-030	Check Problems
FS-110	Payment Setup
FS-120	Payment Processing

## **5.12 Billing & Collections:**

- 5.12.1 The Billing & Collections Development Initiative shall encompass the processes surrounding the identification, notification, and management of delinquencies and collection activities (e.g., generating billing notices, generating assessments to delinquent parties, satisfying assessments, intercepting income tax refunds, filing judgment/liens, releasing judgments/liens, generating garnishments, offering payment resolution options, etc.).
- 5.12.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

<b>Future Process Flow Diagram</b>	<b>Description</b>
FS-040	Billing & Collections
FS-050	Payment Resolutions
FS-060	Uncollectables
FS-070	Intercepts
FS-080	Garnishments
FS-140	Prosecution

## **5.13 Liens:**

- 5.13.1 The Liens Development Initiative shall encompass the processes surrounding the assigning and managing of incoming lien requests (e.g., child support, etc.), processing lien requests to match claimants with liens, calculating amounts to withhold from benefits, sending weekly withholdings and changes to appropriate external entities, identifying liens that reach a specified age, processing requests received to release liens, etc.
- 5.13.2 The future process flow diagram identified in Attachment 5 and referenced below shall be included in this Development Initiative:

<b>Future Process Flow Diagram</b>	<b>Description</b>
FS-020	Liens

## **5.14 Claims Management:**

- 5.14.1 The Claims Management Development Initiative shall encompass the processes surrounding the processing and handling of initial, weekly, and transitional claims online or via IVR, entering and/or updating claim information (e.g., last employer, last date worked, direct deposit information, etc.), identifying claim type (e.g., new, weekly, renewed, etc.) and program (e.g., regular, EB, EUC, etc.), calculating benefit charges and sending notification to employer, calculating benefit payments, etc.

- 5.14.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
CS-010	Claims Processing
CS-020	Claims Preferences or Options
CS-030	Shared Work Plan
CS-070	Mass Claims

### 5.15 Benefits Special Programs:

#### PARAGRAPH REVISED BY AMENDMENT #003

- 5.15.1 The Benefits Special Programs Development Initiative shall encompass the processes surrounding the payment of unemployment compensation associated with special programs (*e.g.*, EB, EUC, **TAA**, TRA, **ATAA**, DUA, *etc.*).
- 5.15.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
CS-040	Trade Readjustment Allowance (TRA)
CS-060	Disaster Unemployment Assistance (DUA)

### 5.16 Out-of-State Functions:

- 5.16.1 The Out-of-State Functions Development Initiative shall encompass the processes surrounding the automatic sending, receiving, and processing of out-of-state information via the ICON hub (*e.g.*, receiving IB-4 Request In, IB5 In, IB-4 Response In, ETA 931, DD214 information, *etc.*, and sending IB-4 Request Out, IB5 Out, IB-4 Response Out, ETA 931, *etc.*); issuing, receiving, and processing billing notices to/from other states; *etc.*
- 5.16.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
CS-050	Unemployment Compensation for UCX & UCFE
CS-130	CWC – Missouri Paying State
CS-140	CWC – Missouri Not Paying State

### 5.17 Disputes:

- 5.17.1 The Disputes Development Initiative shall encompass the processes surrounding employer protests to claims and benefit or reimbursable charges; labor disputes; entering conclusions of claim and/or protest investigations; *etc.*
- 5.17.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
CS-080	Labor Disputes
CS-110	Protests

### 5.18 Benefit Review:

- 5.18.1 The Benefit Review Development Initiative shall encompass the processes surrounding claimant investigations, blocked claims, worker profiling, and reemployment services.
- 5.18.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
CS-100	Blocked Claims
CS-120	Worker Profiling & Reemployment Services
CS-150	Claimant Investigations

### 5.19 Benefits Adjustments & Determinations:

- 5.19.1 The Benefits Adjustments & Determinations Development Initiative shall encompass the system taking appropriate actions based on business rules for data entered, which results in generation of determinations, redeterminations, amended determinations, etc., to claimants and employers; processes surrounding adjustment activities to claims; etc.
- 5.19.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
FS-090	Adjustments (for Benefits)
FS-100	Determinations (for Benefits)

### 5.20 Overpayments:

- 5.20.1 The Overpayments Development Initiative shall encompass the processes surrounding the automatic prevention, detection, calculation, establishment, and management of overpayments and the establishment of fraud overpayments and penalties.
- 5.20.2 The future process flow diagram identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
CS-090	Overpayments

### 5.21 Appeals:

- 5.21.1 The Appeals Development Initiative shall encompass the processes surrounding the tax, benefits, and intercept appeals processes and the LIRC functions; validating (e.g., timeliness, etc.) and processing appeal requests, appeal decisions, orders (e.g., withdrawal, late appeal, non-appearance, etc.), scheduling of hearings, hearing time/date change requests, motion requests (e.g., postponement), and withdrawal requests; updating records with appeal status (e.g., new, scheduled, continued, postponed, etc.) throughout the process; etc.

- 5.21.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
AP-010	Pre-Hearing
AP-020	Hearing
AP-030	Post-Hearing
AP-040	LIRC Appeals

## 5.22 Fraud & Investigations:

- 5.22.1 The Fraud & Investigations Development Initiative shall encompass the processes surrounding tracking and managing complaints, investigation details, and results for employer investigations, fraud and noncompliance; ability for external users (i.e., employers, workers, anonymous tipsters, etc.) to enter complaints or items needing investigation; etc.

- 5.22.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
ES-060	Employer Investigations
FS-130	Fraud

## 5.23 Audits:

- 5.23.1 The Audits Development Initiative shall encompass the processes surrounding the selection or creation of employer audits and the entry of audit results, etc.

- 5.23.2 The future process flow diagram identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
ES-090	Employer Audits

## 5.24 USDOL Compliance:

- 5.24.1 The USDOL Compliance Development Initiative shall encompass the processes supporting the federal USDOL regulations and requirements as they pertain to the agency and requests for agency data.

- 5.24.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
FC-050	Tax Performance System (TPS) Review
FC-060	Benefit Accuracy Measurement (BAM)
FC-070	Data Validation (Tax & Benefits)
FC-080	Benefits, Timeliness & Quality (BTQ) Review
FC-090	SQSP/CAP Process ( <i>no system processes are requested</i> )
FC-100	Information Request
FC-110	Appeals Quality Review
FC-120	UI Reports

**5.25 IRS Compliance:**

- 5.25.1 The IRS Compliance Development Initiative shall encompass the processes surrounding IRS Certification and Recertification, and requests for information from the IRS.
- 5.25.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
FC-010	IRS Certification
FC-020	IRS Recertification
FC-030	IRS Information Requests
FC-040	IRS Safeguard Audits ( <i>no system processes are requested</i> )

**5.26 Reporting:**

- 5.26.1 The Reporting Development Initiative shall encompass any data warehouse, ETL and reporting-related infrastructure, and the implementation of a reporting engine, dashboard reports, information requests, etc.
- 5.26.2 The future process flow diagrams identified in Attachment 5 and referenced below shall be included in this Development Initiative:

Future Process Flow Diagram	Description
US-050	Continuous Improvement
US-060	Report Management



## **6. PROJECT ASSESSMENT QUOTATION (PAQ)**

### **6.1 Project Assessment Quotation (PAQ):**

6.1.1 Project Assessment Quotation: The contractor's application solution must allow for customizations of its functionality in order to provide the state with enhancements and/or new functionality needed by the state. The State of Missouri reserves the right to conduct a separate procurement process(es) to establish a contract(s) for the same or similar services for any of the state's specific project(s) and/or to continue to utilize valid existing consulting services contracts, if determined to be in the state's best interests. For customization of the system not described in the RFP (outside of the contract requirements included herein), the contractor shall understand and agree the state shall utilize the PAQ as a means to (1) identify the specific tasks to be performed and (2) mutually agree upon the total price to be paid to the contractor upon completion of the specified tasks. The PAQ process shall occur in a controlled sequence of proposals and approvals by the state's designated Project Director as outlined below. The contractor shall understand and agree that the general protocol for PAQ workflow shall be as described below:

a. **STEP 1: PAQ REQUEST**

The state's designated Project Director will present a written request for each PAQ to the contractor in a standard format. The state's request must explain the scope of the project and the tasks the state desires the contractor to perform, including applicable business and technical specifications.

b. **STEP 2: DRAFT PAQ**

The contractor must respond (within a prescribed number of days mutually agreed-upon by the state and the contractor) to each such PAQ request from the state's designated Project Director with a draft PAQ which provides a statement of cost (based upon the hourly/daily rates specified on the pricing pages) and time, technical and strategic alternatives, and solution recommendations.

c. **STEP 3: APPROVAL OF DRAFT PAQ**

If the draft PAQ is approved by the state's designated Project Director, the contractor must then prepare a final PAQ for resubmission to the state's designated Project Director for final approval.

d. **STEP 4: FINAL PAQ**

The contractor's final PAQ must include:

- 1) Contract number;
- 2) State's name/address;
- 3) State's designated Project Director name and telephone number;
- 4) Contractor's contact name and telephone number;
- 5) Brief title of specific PAQ;
- 6) Final PAQ issue date;
- 7) A detailed itemization and description of all of the project tasks which shall be completed by the contractor (i.e., project work), including requirements for and specified frequency of any required status reports (the specified project tasks and deliverables must be clearly stated and must be quantifiable);
- 8) The firm, fixed total number of project hours for contractor personnel and the firm, fixed cost (based upon the hourly/daily rates specified on Exhibit A, Pricing Pages);

- 9) Detailed completion schedule for each task/component of the project work;
  - 10) Mutually agreed-upon turnaround times for the state's designated Project Director to review, approve, and formally accept or reject the components of the contractor's project work in accordance with the approved final PAQ;
  - 11) Mutually agreed-upon milestones for compensation of project costs for the contractor's project work, including any mutually agreed-upon holdbacks for specified deliverables and holdback release time frames for specified deliverable completion;
  - 12) Identification of the specific tasks within each component of the PAQ which must be completed by state personnel;
  - 13) Signature and date lines for both the contractor and the state's designated Project Director to signify approval.
  - 14) There shall be no reimbursement for travel-related expenses; refer to paragraph 4.4.2.
- e. **STEP 5: APPROVAL OF FINAL PAQ**  
The contractor and the state's designated Project Director must indicate mutual acceptance of the final PAQ by signing and dating the final PAQ. The state's designated Project Director (1) must retain one signed copy; (2) must forward a copy to the DPMM for inclusion in the contract file; and (3) must send one copy to the contractor.
- f. **STEP 6: AUTHORIZATION TO PROCEED/PAQ PROJECT WORK**  
An approved final PAQ alone does not constitute an authorization to proceed with project work. Before proceeding with project work, the contractor must receive a properly authorized Contract Release Order, except the state may authorize an obligation of less than \$25,000 pursuant to the terms of the contract without the official encumbrance of funds. Project work shall include the contractor's completion of the tasks identified in the final PAQ.
- g. **STEP 7: FORMAL ACCEPTANCE**  
Upon the completion of all project work of a given PAQ, the contractor must notify the state's designated Project Director in writing and shall submit an invoice in accordance with the PAQ approved by the state's designated Project Director. The state's designated Project Director shall review, approve, and formally accept or reject the components of the PAQ project work in accordance with the turnaround time outlined in the PAQ. Formal acceptance shall not be unreasonably delayed or withheld by the state. Once the PAQ project work has been formally accepted by the state, the contractor shall deliver the source code materials pertaining to the PAQ project work to the state within five (5) business days.
- h. **STEP 8: COST RECOVERY FOR CONTRACTOR**  
Project costs for the PAQ project work shall be reimbursable upon formal acceptance by the state's designated Project Director in accordance with the milestones for compensation outlined in the PAQ.
- i. **GENERAL REQUIREMENTS**
- 1) The contractor shall submit draft and final PAQs in a timely manner. The state and the contractor shall mutually agree upon the prescribed number of days for the contractor to submit the draft and final PAQs.
  - 2) The state's designated Project Director reserves the right to reject any contractor-submitted PAQ and/or request the contractor to submit a revised PAQ with adjustments (revised cost, length of time, solution recommendation, etc.).

- 3) The contractor shall not be paid for the preparation of the PAQ.
- 4) A PAQ request, the draft and final PAQs, and the contractor's project work must be within the scope of the performance requirements identified in the contract that the contractor was awarded and must not change any provision of the contract.
- 5) Any changes to the PAQ must be formalized in writing as an official revision to the final PAQ. The format of PAQ revisions shall be consistent with the format of the final PAQ as outlined above, including the distribution of the original to the DPMM, a copy to the contractor, and retaining a copy for the state's designated Project Director. The contractor shall agree and understand the firm, fixed cost stated in the final PAQ shall not be increased unless the state requests a corresponding increase in the scope of work under the PAQ. If the scope of work does not increase, the contractor shall complete all work agreed upon in the PAQ at the firm, fixed cost stated in the PAQ.
- 6) The state's designated Project Director shall have the right to terminate the PAQ at any time for the convenience of the state, without penalty or recourse, by giving written notice to the contractor at least five (5) business days prior to the effective date of such termination. In the event of termination pursuant to this paragraph, all developed source code, documents, data, reports, and accomplishments prepared, furnished, or completed by the contractor pursuant to the terms of the contract shall, at the option of the state's designated Project Director, become the property of the State of Missouri. The contractor shall be entitled to receive compensation for that work completed and accepted by the state pursuant to the PAQ prior to the effective date of termination.
- 7) The duration of any PAQ must not exceed the effective contract period.
- 8) PAQ Invoicing: The contractor shall submit an itemized invoice to the state within 30 calendar days after completion of and in accordance with the mutually agreed-upon milestones for compensation of project costs for the contractor's project work (as specified in the applicable PAQ).

## 7. OFFEROR'S INSTRUCTIONS AND REQUIREMENTS

This section of the RFP includes information and instructions that are integral to offerors submitting a proposal response. Many of the instructional provisions require certain actions by the offeror in providing a proposal.

### 7.1 Preparation and Submission of Proposals:

ELECTRONIC SUBMISSION OF PROPOSALS THROUGH THE ONLINE BIDDING/VENDOR REGISTRATION SYSTEM WEBSITE IS NOT AVAILABLE FOR THIS RFP.

- 7.1.1 The offeror's proposal must include an original hard copy document of their entire proposal. In addition, the offeror should provide seven (7) copies for a total of **eight (8) hard copy documents**.
- a. In addition, the offeror should provide **three (3) electronic copies** of their entire proposal, including all attachments, in Microsoft compatible format on a CD(s) or flash drive(s). The offeror must provide the completed Exhibits A, C.1.A, and D.1.A in the original Microsoft Excel spreadsheets (*or in a similar format so long as the same information is provided*).
  - b. The offeror should ensure all copies and all media are identical to the offeror's hard copy original proposal. In case of a discrepancy, the original hard copy proposal document shall govern. Unless the offeror specifically alerts the State of Missouri that additional proposal information is contained in electronic media submitted with the offeror's original proposal, it shall not be the responsibility of the State of Missouri to ensure that all proposal information submitted on media format is reviewed for evaluation consideration.
  - c. Both the original and the copies should be printed on **recycled paper** and **double sided**. All proposals and copies should minimize or eliminate the use of non-recyclable materials such as plastic report covers, plastic dividers, vinyl sleeves and binding.
  - d. The front cover of the original hard copy proposal should be labeled "**original**" and the front cover of all copies should be labeled "**copy**."
  - e. All pages of the entire proposal should be **page numbered** in some fashion for easy reference.
- 7.1.2 Open Records: Pursuant to Section 610.021, RSMo, the offeror's proposal shall be considered an open record after a contract is executed or all proposals are rejected. The offeror shall not submit the entire proposal as proprietary or confidential. The offeror may submit a part of the proposal as confidential, but only if the proprietary or confidential nature of the material is provided for in Section 610.021, RSMo (refer to the following web site for further information: <http://www.moga.mo.gov/statutes/C600-699/6100000021.HTM>). Proprietary or confidential portions of the offeror's proposal allowed by the statute need to be separated, sealed, and clearly marked as confidential within the offeror's proposal. Also, the offeror should provide adequate explanation of what qualifies the material to be held as confidential pursuant to the provisions of Section 610.021, RSMo.
- a. At the conclusion of the procurement process, the DPMM will image the offeror's proposal. For ease of imaging, the offeror is encouraged to submit their proposal on **loose leaf paper** in a **notebook or binder**.
    - 1) Image Ready: Except for any portion of a proposal qualifying as proprietary or confidential as determined by the DPMM as specified above, after a contract is executed or all proposals are rejected, all proposals are scanned into the DPMM imaging system. The scanned information will be available for viewing through the Internet from the DPMM Contract Document Search system (<http://oa.mo.gov/purch/webimaging/Homepage.htm>). Therefore, the offeror is advised not to include any information in the proposal that the offeror does not want to be viewed by

the public, including personal identifying information such as SSNs. In preparing a proposal, the offeror should be mindful of document preparation efforts for imaging purposes and storage capacity that will be required to image the proposal and should limit proposal content to items that provide substance, quality of content, and clarity of information.

7.1.3 To facilitate the evaluation process, the offeror is encouraged to organize their proposal into sections that correspond with the individual evaluation categories described herein. The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of Missouri is under no obligation to solicit such information if it is not included with the proposal. The offeror's failure to submit such information may cause an adverse impact on the evaluation of the proposal. Poorly organized and poorly prepared proposals may result in reduced subjective evaluation consideration being given.

- a. The signed signature page from the original RFP and all signed amendments (if any) should be placed at the beginning of the proposal.
- b. Each section of the proposal should be titled with the applicable individual category described below, and all material related to that category should be included therein.
  - 1) Signed RFP signature page and any Amendment cover pages
  - 2) Table of Contents
  - 3) Transmittal Letter/Executive Summary
  - 4) Exhibit A – Pricing Pages
  - 5) Exhibit B – Experience, Expertise, and Reliability
  - 6) Exhibit C – Performance Plans
  - 7) Exhibit C.1.A – Staffing Levels
  - 8) Exhibit D – Functional and Technical Capabilities
  - 9) Exhibit D.1.A – Functional and Technical Requirements Matrix
  - 10) Exhibit E – Participation by Other Organizations
  - 11) Exhibit F – Missouri Service-Disabled Veteran Business Preference
  - 12) Exhibit G – Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization
  - 13) Exhibit H – Other Requested Information

## **7.2 Compliance with Terms and Conditions:**

7.2.1 **Offerors are cautioned that the State of Missouri shall not award a non-compliant proposal.** Consequently, any offeror indicating non-compliance or providing a response in conflict with mandatory requirements, terms, conditions, or provisions of the RFP may be eliminated from further consideration for award.

### **7.3 Competitive Negotiation of Proposals:**

- 7.3.1 The offeror is advised that under the provisions of this RFP, the DPMM reserves the right to conduct negotiations of the proposals received or to award a contract without negotiations. If such negotiations are conducted, the following conditions shall apply:
- a. Negotiations may be conducted in person, in writing, or by telephone.
  - b. Negotiations will only be conducted with potentially acceptable proposals. The DPMM reserves the right to limit negotiations to those proposals which received the highest rankings during the initial evaluation phase. All offerors involved in the negotiation process will be invited to submit a BAFO.
  - c. Terms, conditions, prices, methodology, or other features of the offeror's proposal may be subject to negotiation and subsequent revision. As part of the negotiations, the offeror may be required to submit supporting financial, pricing, and other data in order to allow a detailed evaluation of the feasibility, reasonableness, and acceptability of the proposal.
  - d. The mandatory requirements of the RFP shall not be negotiable and shall remain unchanged unless the DPMM determines that a change in such requirements is in the best interest of the State of Missouri.

### **7.4 Foreign Vendors:**

- 7.4.1 If the offeror is a foreign company that does not have an Employer Identification Number assigned by the United States IRS, the offeror will need to: (1) complete the appropriate IRS W-8 form (found on the [www.irs.gov](http://www.irs.gov) website); (2) complete a State of Missouri Vendor Input Form located at [www.oa.mo.gov/acct/](http://www.oa.mo.gov/acct/); and (3) fax these documents along with a cover letter that states it wishes to register on the State of Missouri On-Line Bidding/Vendor Registration System website to the fax number listed in the Vendor Input Form instructions. The cover letter must include the e-mail address of the individual submitting the documentation. The documentation must be processed by the State of Missouri prior to conducting business with the state. Once the information has been processed, the offeror will be provided, via e-mail, a number that may be used to register as a State of Missouri vendor through the On-Line Bidding/Vendor Registration System website (<https://www.moolb.mo.gov>).
- 7.4.2 If the offeror is a foreign company that has an Employer Identification Number assigned by the IRS, completing an IRS W-8 form will not be necessary, and the offeror may register as a vendor with the State of Missouri through the On-Line Bidding/Vendor Registration System website by using the Employer Identification Number assigned to the company by the IRS.
- 7.4.3 When submitting a bid/proposal, the offeror should attach a note to the front page advising DPMM whether it has (1) submitted a W-8 prior to submission of the bid/proposal, (2) included the completed W-8 form with its bid/proposal, or (3) registered with the State of Missouri through the On-Line Bidding/Vendor Registration System website using its Employer Identification Number.

### **7.5 Business Compliance:**

- 7.5.1 The offeror must be in compliance with the laws regarding conducting business in the State of Missouri. The offeror certifies by signing the signature page of this original document and any amendment signature page(s) that the offeror and any proposed subcontractors either are presently in compliance with such laws or shall be in compliance with such laws prior to any resulting contract award. The offeror shall provide documentation of compliance upon request by the DPMM. The compliance to conduct business in the state shall include but may not be limited to:
- a. Registration of business name (if applicable);

- b. Certificate of authority to transact business/certificate of good standing (if applicable);
- c. Taxes (e.g., city/county/state/federal);
- d. State and local certifications (e.g., professions/occupations/activities);
- e. Licenses and permits (e.g., city/county license, sales permits); and
- f. Insurance (e.g., unemployment insurance/workers' compensation).

## 7.6 Proposal Evaluation and Award:

- 7.6.1 After determining that a proposal satisfies the mandatory requirements stated in the RFP, the evaluators shall use both objective analysis and subjective judgment in conducting a comparative assessment of the proposal in accordance with the evaluation criteria stated below:

Evaluation Criteria Scoring Category	Maximum Points
Pricing Pages	
Required Pricing ..... 70 points	
PAQ Costs ..... 10 points	80
Experience, Expertise, and Reliability	40
Performance Plans & Staffing Levels	25
Functional and Technical Capabilities & Functional and Technical Requirements Matrix	30
MBE/WBE Participation	10
Demonstration/Presentation	15
<b>TOTAL</b>	<b>200</b>

- 7.6.2 Award Determination: The DPMM shall make the contract award on an all-or-none basis. The contract award shall result in one offeror providing the product and services to fulfill the requirements of the RFP.

### PARAGRAPH REVISED BY AMENDMENT #003

- 7.6.3 Cost Evaluation: The evaluation shall cover the original contract period plus renewal periods. The cost evaluation shall include all mandatory requirements *to include the minimum hardware costs as well as any required third party software costs necessary to operate the the proposed system as listed on the other required costs sheet in Exhibit A.* However, the State of Missouri reserves the right to evaluate optional items if deemed necessary to meet mandatory requirements.

### PARAGRAPH REVISED BY AMENDMENT #003

- a. For cost analysis evaluation purposes only, it shall be assumed that there will be 1,600 hours of PAQ work performed during the initial contract period and 320 hours for each renewal period of the contract. If the offeror is providing multiple PAQ job classifications/per-hour rates as indicated on the *PAQ costs* sheet in Exhibit A, then the rates shall be averaged to obtain a single rate to be used in the cost analysis to be multiplied by 1,600 hours for the initial contract period and then 320 hours for each renewal option period thereafter. At the sole determination of the DPMM, any non-

relevant/non-essential consultant classification(s) listed in Exhibit A shall not be included in the average calculations.

- b. Cost Points shall be calculated using the following formula:

- 1) Required Pricing:

$\frac{\text{Lowest Total Cost}}{\text{Offeror Total Cost}}$	x	# of Cost Points (70)	=	Offeror's Cost Points for Required Pricing
--	---	-----------------------	---	--

- 2) PAQ Costs:

$\frac{\text{Lowest Total Cost}}{\text{Offeror Total Cost}}$	x	# of Cost Points (10)	=	Offeror's Cost Points for PAQ Costs
--	---	-----------------------	---	-------------------------------------

7.6.4 **MBE/WBE Participation Evaluation:** In order for the DPMM to meet the provisions of Executive Order 05-30, the offeror should secure participation of certified MBEs and WBEs in providing the products/services required in this RFP. The evaluation of the offeror's MBE/WBE participation shall be based on the requirements stated herein. The targets of participation recommended by the State of Missouri are 10% MBE and 5% WBE of the total dollar value of the contract.

- a. These targets can be met by a qualified MBE/WBE offeror themselves and/or through the use of qualified subcontractors, suppliers, joint ventures, or other arrangements that afford meaningful opportunities for MBE/WBE participation.
- b. The services performed or the products provided by MBEs/WBEs must provide a commercially useful function related to the delivery of the contractually-required service/product in a manner that will constitute an added value to the contract and shall be performed/provided exclusive to the performance of the contract. Therefore, if the services performed or the products provided by MBEs/WBEs are utilized, to any extent, in the offeror's obligations outside of the contract, it shall not be considered a valid added value to the contract and shall not qualify as participation in accordance with this clause.
- c. In order to be considered as meeting these targets, the MBEs/WBEs must be "qualified" at the time the proposal is submitted (see below for a definition of a qualified MBE/WBE).

The offeror's proposed participation of MBE/WBE firms in meeting the targets of the RFP will be considered in the evaluation process as specified below:

- a. **If Participation Meets Target:** Offerors proposing MBE and WBE participation percentages that meet the State of Missouri's target participation percentage of 10% for MBE and 5% for WBE shall be assigned the maximum stated MBE/WBE participation evaluation points.
- b. **If Participation Exceeds Target:** Offerors proposing MBE and WBE participation percentages that exceed the State of Missouri's target participation shall be assigned the same MBE/WBE participation evaluation points as those meeting the State of Missouri's target participation percentages stated above.
- c. **If Participation Below Target:** Offerors proposing MBE and WBE participation percentages that are lower than the State of Missouri's target participation percentages of 10% for MBE and 5% for WBE shall be assigned a proportionately lower number of the MBE/WBE participation evaluation points than the maximum MBE/WBE participation evaluation points.



- d. If No Participation: Offerors failing to propose any commercially useful MBE/WBE participation shall be assigned a score of zero (0) in this evaluation category.

MBE/WBE participation evaluation points shall be assigned using the following formula:

$\frac{\text{Offeror's Proposed MBE \%} \leq 10\% + \text{WBE \%} \leq 5\%}{\text{State's Target MBE \% (10) + WBE \% (5)}}$	x	Maximum MBE/WBE Participation Evaluation Points (10)	=	Assigned MBE/WBE Participation Points
--	---	--	---	--

If the offeror is proposing MBE/WBE participation, in order to receive evaluation consideration for MBE/WBE participation, the offeror must provide the following information with the proposal.

- a. Participation Commitment: If the offeror is proposing MBE/WBE participation, the offeror must complete the Participation Commitment form in Exhibit E (page 1) by listing each proposed MBE and WBE, the committed percentage of participation for each MBE and WBE, and the commercially useful products/services to be provided by the listed MBE and WBE. If the offeror submitting the proposal is a qualified MBE and/or WBE, the offeror must include the offeror in the appropriate table on the Participation Commitment form.
- b. Documentation of Intent to Participate: The offeror must either provide a properly completed Documentation of Intent to Participate form in Exhibit E (page 2) signed by each MBE and WBE proposed or must provide a recently dated letter of intent signed by each MBE and WBE proposed which: (1) must describe the products/services the MBE/WBE will provide; (2) must indicate the MBE/WBE's commitment to aid the offeror in the performance of the required services and/or provision of the required products (identified by the RFP number or other identifier) in an amount that must equal the percentage specified on the offeror's Participation Commitment form; and (3) should include evidence that the MBE/WBE is qualified as defined herein (i.e., the MBE/WBE Certification Number or a copy of MBE/WBE certificate issued by the Missouri OEO).

Commitment – If the offeror's proposal is awarded, the percentage level of MBE/WBE participation committed to by the offeror on the Participation Commitment form, as verified by the MBE/WBE's documentation of intent to participate, shall be interpreted as a contractual requirement.

Definition – Qualified MBE/WBE:

- a. In order to be considered a qualified MBE or WBE for purposes of this RFP, the MBE/WBE must be certified by the State of Missouri, Office of Administration, OEO at the time of submission of the proposal.
- b. MBE or WBE means a business that is a sole proprietorship, partnership, joint venture, or corporation in which at least fifty-one percent (51%) of the ownership interest is held by minorities or women and the management and daily business operations of which are controlled by one or more minorities or women who own it.
- c. Minority is defined as belonging to one of the following racial minority groups: African Americans, Native Americans, Hispanic Americans, Asian Americans, American Indians, Eskimos, Aleuts, and other groups that may be recognized by the Office of Advocacy, United States Small Business Administration, Washington, D.C.

Resources – A listing of several resources that are available to assist offerors in their efforts to identify and secure the participation of qualified MBEs and WBEs is available at the website shown below or by contacting the OEO at:

Office of Administration, Office of Equal Opportunity  
Harry S Truman Building, Room 630  
P.O. Box 809  
Jefferson City, Missouri 65102-0809  
Phone: (877) 259-2963 or (573) 751-8130  
Fax: (573) 522-8078  
Web site: <http://oa.mo.gov/oeo>

**PARAGRAPH REVISED BY AMENDMENT #003**

7.6.5 Subjective Evaluation: The evaluation of the offeror's experience, expertise, reliability, performance plans, staffing levels, the proposed solution's functional and technical capabilities, as well as the response to functional and technical requirements and the offeror's demonstration/presentation shall be subjective based on fact. Information provided by the offeror in response to the exhibits of this RFP, as well as information gained from any other source during the evaluation process, may be used in the subjective evaluation. The evaluation team may consider the costs for *the optimum* hardware and third-party operating and/or development software components in the subjective evaluation of Functional and Technical Capabilities.

- a. The offeror should present a detailed description of all products, services, and support proposed in response to this RFP. It is the offeror's responsibility to make sure that all products, services, and support are adequately described in order for the state to determine and verify the offeror's ability to perform the tasks and activities defined in this request.

**7.7 Offeror's Response to Evaluative Criteria:**

7.7.1 Pricing Pages: The offeror must respond to Exhibit A with firm, fixed pricing for all applicable costs necessary to satisfy the requirements of the RFP. All prices quoted shall be firm, fixed for the contract period stated on the signature page. THE STATE SHALL ASSUME ABSOLUTELY NO OTHER COSTS EXIST TO SATISFY THE RFP'S REQUIREMENTS. Therefore, the successful offeror shall be responsible for any additional costs.

- a. The offeror shall agree and understand the firm, fixed pricing stated in Exhibit A shall not be increased unless the state requests a corresponding increase in the scope of work under the contract, which shall only be allowable through a formal contract amendment mutually agreed to between DPMM and the contractor. In other words, if the offeror underestimates the level of effort in terms of personnel resources, the contractor may not charge the state more than the firm, fixed pricing stated in Exhibit A unless the state later amends the contract to increase the scope of work. If the scope of work does not increase, the contractor shall complete all work agreed upon in the contract at the firm, fixed pricing stated in Exhibit A.

7.7.2 Experience, Expertise, and Reliability: The offeror must provide information relative to the offeror's experience, expertise, and reliability as it relates to the requirements of this RFP. The offeror must respond to the information requested in Exhibit B for purposes of evaluating the offeror's experience, expertise, and reliability.

7.7.3 Performance Plans: The offeror must provide information relative to the performance plans as it relates to the requirements of this RFP. The offeror must provide the information requested in Exhibit C for purposes of evaluating the performance plans.

- 7.7.4 Staffing Levels: The offeror must provide information relative to the staffing levels as it relates to the requirements of this RFP. The offeror must provide the information requested in Exhibit C.1.A for purposes of evaluating the staffing levels.
- 7.7.5 Functional and Technical Capabilities: The offeror must provide information relative to the functional and technical capabilities as it relates to the requirements of this RFP. The offeror must provide the information requested in Exhibit D for purposes of evaluating the functional and technical capabilities.
- 7.7.6 Functional and Technical Requirements Matrix: The offeror must provide information relative to the functional and technical requirements as it relates to this RFP. The offeror must provide the information requested in Exhibit D.1.A for purposes of evaluating the functional and technical requirements.
- 7.7.7 Offeror's MBE/WBE Participation: The offeror should provide information relative to its organization's commitment to MBE/WBE participation as it relates to the requirements of this RFP in Exhibit E.
- 7.7.8 Demonstration/Presentation: After an initial screening process, a question and answer conference and system demonstration/presentation shall be conducted with offeror(s). Such demonstration/presentation shall be in person at a site provided by the state within Jefferson City, Missouri. The demonstration/presentation should be constructed to both clarify and verify the offeror's response. Travel and attendance expenses incurred by the offeror shall be the responsibility of the offeror. All arrangements and scheduling shall be coordinated by the DPMM. Refer to glossary definitions for "demonstration" and "presentation" (Section 2.11).
- a. The demonstration/presentation shall be conducted at no cost to the State of Missouri; therefore, no compensation shall be made to the offeror regarding their participation in the demonstration/presentation. The offeror shall have the right to deny participation in the demonstration/presentation; however, by doing so shall result in a score of zero (0) for this evaluation area.
  - b. To ensure that offerors have an equal opportunity for adequate preparation, the demonstration/presentation agenda and scenarios are provided in Attachment 12. The demonstration/presentation scenarios identify the functions to be performed or discussed during the demonstration/presentation of the offeror's solution. This material will be the foundation for the evaluation of the demonstration/presentation requirement of this RFP. The state may, at its option, request that an offeror demonstrate any function, product, or system capability included in the offeror's proposal.
  - c. The dates for the demonstrations/presentations will be determined by the state during the evaluation period. The demonstrations/presentations will occur approximately one (1) month after the closing date for the proposal response.
  - d. The demonstrations/presentations will be held in person at:

Missouri Division of Employment Security  
421 East Dunklin Street  
Jefferson City, Missouri 65101
  - e. The state shall provide a power supply, projector screen, digital and/or video recorder, and telephone. The offeror shall provide a laptop computer(s), projector, wireless Internet connection, and telephone conference bridge number, if needed. Each demonstration/presentation will be limited to two (2) days; six (6) hours on the first day with the offeror having an optional three (3) hours on the second day, plus one (1) hour each day for setup. It is the obligation of the offeror to effectively manage their demonstration/presentation time. The state reserves the right to request an additional demonstration/presentation of specified functions and features of the proposed solution at a later date.

NOTE: FAILURE TO PROVIDE ADEQUATE INFORMATION TO COMPLETELY ADDRESS THE SPECIFIED EVALUATION CRITERIA WILL AT LEAST RESULT IN MINIMAL SUBJECTIVE EVALUATION CONSIDERATION AND MAY RESULT IN REJECTION OF THE OFFEROR'S PROPOSAL.

## **7.8 Other Requested Information:**

7.8.1 Preference for Organizations for the Blind and Sheltered Workshops: Pursuant to Section 34.165, RSMo, a ten (10) bonus point preference shall be granted to offerors including products and/or services manufactured, produced, or assembled by a qualified nonprofit organization for the blind established pursuant to 41 U.S.C. Sections 46 to 48c or a sheltered workshop holding a certificate of approval from the Department of Elementary and Secondary Education pursuant to Section 178.920, RSMo.

a. In order to qualify for the ten (10) bonus points, the offeror must meet the following conditions and provide the following evidence:

- 1) The offeror must either be an organization for the blind or sheltered workshop or must be proposing to utilize an organization for the blind/sheltered workshop as a subcontractor and/or supplier in an amount that must equal the greater of \$5,000 or 2% of the total dollar value of the contract for purchases not exceeding \$10 million.
- 2) The services performed or the products provided by an organization for the blind or sheltered workshop must provide a commercially useful function related to the delivery of the contractually-required service/product in a manner that will constitute an added value to the contract and shall be performed/provided exclusive to the performance of the contract. Therefore, if the services performed or the products provided by the organization for the blind or sheltered workshop is utilized, to any extent, in the offeror's obligations outside of the contract, it shall not be considered a valid added value to the contract and shall not qualify as participation in accordance with this clause.
- 3) The offeror must provide the following information with the proposal:
  - Participation Commitment: The offeror must complete the Participation Commitment form in Exhibit E (page 1) by identifying the organization for the blind or sheltered workshop, the amount of participation committed, and the commercially useful products/services to be provided by the listed organization for the blind or sheltered workshop. If the offeror submitting the proposal is an organization for the blind or sheltered workshop, the offeror must be listed in the appropriate table on the Participation Commitment form.
  - Documentation of Intent to Participate: The offeror must either provide a properly completed Documentation of Intent to Participate form in Exhibit E (page 2), signed by the organization for the blind or sheltered workshop proposed or must provide a recently dated letter of intent signed by the organization for the blind or sheltered workshop which: (1) must describe the products/services the organization for the blind/sheltered workshop will provide; (2) must indicate the organization for the blind/sheltered workshop's commitment to aid the offeror in the performance of the required services and/or provision of the required products (identified by the RFP number or other identifier) in an amount that must equal the amount specified on the offeror's Participation Commitment form; and (3) should include evidence of the organization for the blind/sheltered workshop's qualifications (e.g., copy of certificate or Certificate Number for Missouri Sheltered Workshop).

b. A list of Missouri sheltered workshops can be found at the following internet address:

<http://www.dese.mo.gov/divspeced/shelteredworkshops/index.html>.

- c. The websites for the Missouri Lighthouse for the Blind and the Alphapointe Association for the Blind can be found at the following internet addresses:

<http://www.lhbindustries.com>

<http://www.alphapointe.org>

- d. Commitment – If the offeror’s proposal is awarded, the participation committed to by the offeror on the Participation Commitment form included in Exhibit E, as verified by the organization for the blind/sheltered workshop’s documentation of intent to participate, shall be interpreted as a contractual requirement.

- 7.8.2 Exhibit F, Missouri Service-Disabled Veteran Business Preference: Pursuant to Section 34.074, RSMo, a three (3) bonus point preference shall be granted to offerors who qualify as Missouri service-disabled veteran businesses and who complete and submit Exhibit F, Missouri Service-Disabled Veteran Business Preference with the proposal. If the proposal does not include the completed Exhibit F and the documentation specified on Exhibit F in accordance with the instructions provided therein, no preference points will be applied.
- 7.8.3 Exhibit G, Business Entity Certification, Enrollment Documentation, and Affidavit of Work Authorization: Pursuant to Section 285.530, RSMo, if the offeror meets the definition of a “business entity” in Section 285.525, RSMo (<http://www.moga.mo.gov/statutes/C200-299/2850000525.HTM>), the offeror must affirm the offeror’s enrollment and participation in the E-Verify federal work authorization program with respect to the employees hired after enrollment in the program who are proposed to work in connection with the services requested herein. The offeror should complete applicable portions of Exhibit G, which must be submitted prior to an award of a contract.
- 7.8.4 Exhibit H, Other Requested Information: The offeror should provide all necessary contact information if different from the information provided on the signature page of the RFP. Additionally, if offerors and/or any of the owners of the offeror’s organization are currently an employee of the State of Missouri, a member of the Missouri General Assembly, or a statewide elected official, the offeror must comply with Sections 105.450 to 105.458, RSMo, regarding conflict of interest and provide information in Exhibit H.

**STATE OF MISSOURI  
DIVISION OF PURCHASING AND MATERIALS MANAGEMENT  
TERMS AND CONDITIONS -- REQUEST FOR PROPOSAL**

**1. TERMINOLOGY/DEFINITIONS**

Whenever the following words and expressions appear in an RFP document or any amendment thereto, the definition or meaning described below shall apply.

- a. **Agency and/or State Agency** means the statutory unit of state government in the State of Missouri for which the equipment, supplies, and/or services are being purchased by the **Division of Purchasing and Materials Management (DPMM)**. The agency is also responsible for payment.
- b. **Amendment** means a written, official modification to an RFP or to a contract.
- c. **Attachment** applies to all forms which are included with an RFP to incorporate any informational data or requirements related to the performance requirements and/or specifications.
- d. **Proposal Opening Date and Time** and similar expressions mean the exact deadline required by the RFP for the receipt of sealed proposals.
- e. **Offeror** means the person or organization that responds to an RFP by submitting a proposal with prices to provide the equipment, supplies, and/or services as required in the RFP document.
- f. **Buyer** means the procurement staff member of the DPMM. The **Contact Person** as referenced herein is usually the Buyer.
- g. **Contract** means a legal and binding agreement between two or more competent parties, for a consideration for the procurement of equipment, supplies, and/or services.
- h. **Contractor** means a person or organization who is a successful offeror as a result of an RFP and who enters into a contract.
- i. **Exhibit** applies to forms that are included with an RFP for the offeror to complete and submit with the sealed proposal prior to the specified opening date and time.
- j. **Request for Proposal (RFP)** means the solicitation document issued by the DPMM to potential offerors for the purchase of equipment, supplies, and/or services as described in the document. The definition includes these Terms and Conditions as well as all Pricing Pages, Exhibits, Attachments, and Amendments thereto.
- k. **May** means that a certain feature, component, or action is permissible but not required.
- l. **Must** means that a certain feature, component, or action is a mandatory condition.
- m. **Pricing Page(s)** applies to the form(s) on which the offeror must state the price(s) applicable for the equipment, supplies, and/or services required in the RFP. The pricing pages must be completed and submitted by the offeror with the sealed proposal prior to the specified proposal opening date and time.
- n. **RSMo (Revised Statutes of Missouri)** refers to the body of laws enacted by the legislature which govern the operations of all agencies of the State of Missouri. Chapter 34 of the statutes is the primary chapter governing the operations of DPMM.
- o. **Shall** has the same meaning as the word must.
- p. **Should** means that a certain feature, component, and/or action is desirable but not mandatory.

**2. APPLICABLE LAWS AND REGULATIONS**

- a. The contract shall be construed according to the laws of the State of Missouri. The contractor shall comply with all local, state, and federal laws and regulations related to the performance of the contract to the extent that the same may be applicable.
- b. To the extent that a provision of the contract is contrary to the constitution or laws of the State of Missouri or of the United States, the provisions shall be void and unenforceable. However, the balance of the contract shall remain in force between the parties unless terminated by consent of both the contractor and the DPMM.
- c. The contractor must be registered and maintain good standing with the Secretary of State of the State of Missouri and other regulatory agencies as may be required by law or regulations.
- d. The contractor must timely file and pay all Missouri sales, withholding, corporate, unemployment, and any other required Missouri tax returns and taxes, including interest and additions to tax.
- e. The exclusive venue for any legal proceeding relating to or arising out of the RFP or resulting contract shall be in the Circuit Court of Cole County, Missouri.

- f. The contractor shall only utilize personnel authorized to work in the United States in accordance with applicable federal and state laws and Executive Order 07-13 for work performed in the United States.

### 3. OPEN COMPETITION/RFP DOCUMENT

- a. It shall be the offeror's responsibility to ask questions, request changes or clarification, or otherwise advise the DPMM if any language, specifications, or requirements of an RFP appear to be ambiguous, contradictory, and/or arbitrary, or appear to inadvertently restrict or limit the requirements stated in the RFP to a single source. Any and all communication from offerors regarding specifications, requirements, competitive proposal process, etc., must be directed to the buyer from the DPMM, unless the RFP specifically refers the offeror to another contact. Such communication should be received at least 10 calendar days prior to the official proposal opening date.
- b. Every attempt shall be made to ensure that the offeror receives an adequate and prompt response. However, in order to maintain a fair and equitable procurement process, all offerors will be advised, via the issuance of an amendment to the RFP, of any relevant or pertinent information related to the procurement. Therefore, offerors are advised that unless specified elsewhere in the RFP, any questions received less than 10 calendar days prior to the RFP opening date may not be answered.
- c. Offerors are cautioned that the only official position of the State of Missouri is that which is issued by the DPMM in the RFP or an amendment thereto. No other means of communication, whether oral or written, shall be construed as a formal or official response or statement.
- d. The DPMM monitors all procurement activities to detect any possibility of deliberate restraint of competition, collusion among offerors, price-fixing by offerors, or any other anti-competitive conduct by offerors which appears to violate state and federal antitrust laws. Any suspected violation shall be referred to the Missouri Attorney General's Office for appropriate action.
- e. The RFP is available for viewing and downloading on the state's On-Line Bidding/Vendor Registration System website. Premium registered offerors are electronically notified of the proposal opportunity based on the information maintained in the State of Missouri's vendor database. If a premium registered offeror's e-mail address is incorrect, the offeror must update the e-mail address themselves on the state's On-Line Bidding/Vendor Registration System website.
- f. The DPMM reserves the right to officially amend or cancel an RFP after issuance. It shall be the sole responsibility of the offeror to monitor the State of Missouri On-Line Bidding/Vendor Registration System website at <https://www.moolb.mo.gov> to obtain a copy of the amendment(s). Premium registered offerors who received e-mail notification of the proposal opportunity when the RFP was established, and premium registered offerors who have responded to the RFP online prior to an amendment being issued, will receive e-mail notification of the amendment(s). Premium registered offerors who received e-mail notification of the proposal opportunity when the RFP was established, and premium registered offerors who have responded to the proposal online prior to a cancellation being issued, will receive e-mail notification of a cancellation issued prior to the exact closing time and date specified in the RFP.

### 4. PREPARATION OF PROPOSALS

- a. Offerors **must** examine the entire RFP carefully. Failure to do so shall be at the offeror's risk.
- b. Unless otherwise specifically stated in the RFP, all specifications and requirements constitute minimum requirements. All proposals must meet or exceed the stated specifications and requirements.
- c. Unless otherwise specifically stated in the RFP, any manufacturer names, trade names, brand names, information, and/or catalog numbers listed in a specification and/or requirement are for informational purposes only and are not intended to limit competition. The offeror may offer any brand which meets or exceeds the specification for any item, but must state the manufacturer's name and model number for any such brands in the proposal. In addition, the offeror shall explain in detail (1) the reasons why the proposed equivalent meets or exceeds the specifications and/or requirements and (2) why the proposed equivalent should not be considered an exception thereto. Proposals which do not comply with the requirements and specifications are subject to rejection without clarification.
- d. Proposals lacking any indication of intent to offer an alternate brand or to take an exception shall be received and considered in complete compliance with the specifications and requirements as listed in the RFP.

- e. In the event that the offeror is an agency of state government or other such political subdivision which is prohibited by law or court decision from complying with certain provisions of an RFP, such offeror may submit a proposal which contains a list of statutory limitations and identification of those prohibitive clauses which will be modified via a clarification conference between the DPMM and the offeror, if such offeror is selected for contract award. The clarification conference will be conducted in order to agree to language that reflects the intent and compliance of such law and/or court order and the RFP. Any such offeror needs to include in the proposal a complete list of statutory references and citations for each provision of the RFP that is affected by this paragraph.
- f. All equipment and supplies offered in a proposal must be new, of current production, and available for marketing by the manufacturer unless the RFP clearly specifies that used, reconditioned, or remanufactured equipment and supplies may be offered.
- g. Prices shall include all packing, handling and shipping charges FOB destination, freight prepaid and allowed, unless otherwise specified in the RFP.
- h. Proposals, including all prices therein, shall remain valid for 90 days from proposal opening or BAFO submission unless otherwise indicated. If the proposal is accepted, the entire proposal, including all prices, shall be firm for the specified contract period.
- i. Any foreign offeror not having an Employer Identification Number assigned by the United States IRS must submit a completed IRS Form W-8 prior to or with the submission of their proposal in order to be considered for award.

## **5. SUBMISSION OF PROPOSALS**

- a. Proposals may be submitted by delivery of a hard copy to the DPMM office. Electronic submission of proposals by premium registered offerors through the State of Missouri's On-Line Bidding/Vendor Registration System website is not available unless stipulated in the RFP. Delivered proposals must be sealed in an envelope or container and received in the DPMM office located at 301 West High Street, Room 630 in Jefferson City, Missouri 65101, no later than the exact opening time and date specified in the RFP. All proposals must (1) be submitted by a duly authorized representative of the offeror's organization, (2) contain all information required by the RFP, and (3) be priced as required. Hard copy proposals may be mailed to the DPMM post office box address. However, it shall be the responsibility of the offeror to ensure their proposal is in the DPMM office (address listed above) no later than the exact opening time and date specified in the RFP.
- b. The sealed envelope or container containing a proposal should be clearly marked on the outside with (1) the official RFP number and (2) the official opening date and time. Different proposals should not be placed in the same envelope, although copies of the same proposal may be placed in the same envelope.
- c. A proposal submitted electronically by a premium registered offeror may be modified online prior to the official opening date and time. A proposal which has been delivered to the DPMM office may be modified by signed, written notice which has been received by the DPMM prior to the official opening date and time specified. A proposal may also be modified in person by the offeror or its authorized representative, provided proper identification is presented before the official opening date and time. Telephone or telegraphic requests to modify a proposal shall not be honored.
- d. A proposal submitted electronically by a premium registered offeror may be canceled online prior to the official opening date and time. A proposal which has been delivered to the DPMM office may only be withdrawn by a signed, written notice or facsimile which has been received by the DPMM prior to the official opening date and time specified. A proposal may also be withdrawn in person by the offeror or its authorized representative, provided proper identification is presented before the official opening date and time. Telephone, e-mail, or telegraphic requests to withdraw a proposal shall not be honored.
- e. When submitting a proposal electronically, the premium registered offeror indicates acceptance of all RFP terms and conditions by clicking on the "Submit" button on the Electronic Bid Response Entry form. Offerors delivering a hard copy proposal to DPMM must sign and return the RFP cover page or, if applicable, the cover page of the last amendment thereto in order to constitute acceptance by the offeror of all RFP terms and conditions. Failure to do so may result in rejection of the proposal unless the offeror's full compliance with those documents is indicated elsewhere within the offeror's response.
- f. Faxed proposals shall not be accepted. However, faxed and e-mail no-bid notifications shall be accepted.



## **6. PROPOSAL OPENING**

- a. Proposal openings are public on the opening date and at the opening time specified on the RFP document. Only the names of the respondents shall be read at the proposal opening. Premium registered vendors may view the same proposal response information on the state's On-Line Bidding/Vendor Registration System website. The contents of the responses shall not be disclosed at this time.
- b. Proposals which are not received in the DPMM office prior to the official opening date and time shall be considered late, regardless of the degree of lateness, and normally will not be opened. Late proposals may only be opened under extraordinary circumstances in accordance with 1 CSR 40-1.050.

## **7. PREFERENCES**

- a. In the evaluation of proposals, preferences shall be applied in accordance with Chapter 34, RSMo. Contractors should apply the same preferences in selecting subcontractors.
- b. By virtue of statutory authority, a preference will be given to materials, products, supplies, provisions, and all other articles produced, manufactured, made, or grown within the State of Missouri and to all firms, corporations, or individuals doing business as Missouri firms, corporations, or individuals. Such preference shall be given when quality is equal or better and delivered price is the same or less.
- c. In accordance with Executive Order 05-30, contractors are encouraged to utilize certified minority- and women-owned businesses in selecting subcontractors.
- d. In the evaluation of proposals, a service-disabled veteran business preference shall be applied in accordance with Section 34.074, RSMo.

## **8. EVALUATION/AWARD**

- a. Any clerical error, apparent on its face, may be corrected by the buyer before contract award. Upon discovering an apparent clerical error, the buyer shall contact the offeror and request clarification of the intended proposal. The correction shall be incorporated in the Notice of Award. Examples of apparent clerical errors are: (1) misplacement of a decimal point and (2) obvious mistake in designation of unit.
- b. Any pricing information submitted by an offeror shall be subject to evaluation if deemed by the DPMM to be in the best interests of the State of Missouri.
- c. The offeror is encouraged to propose price discounts for prompt payment or propose other price discounts that would benefit the State of Missouri. However, unless otherwise specified in the RFP, pricing shall be evaluated at the maximum potential financial liability to the State of Missouri.
- d. Awards shall be made to the offeror whose proposal (1) complies with all mandatory specifications and requirements of the RFP, (2) is the lowest and best proposal, considering price, responsibility of the offeror, and all other evaluation criteria specified in the RFP and any subsequent negotiations, and (3) complies with Sections 34.010 and 34.070, RSMo, and Executive Order 04-09 (provided at the following web site link: [http://oa.mo.gov/purch/vendorinfo/eo04\\_09.pdf](http://oa.mo.gov/purch/vendorinfo/eo04_09.pdf)).
- e. In the event all offerors fail to meet the same mandatory requirement in an RFP, the DPMM reserves the right, at its sole discretion, to waive that requirement for all offerors and to proceed with the evaluation. In addition, the DPMM reserves the right to waive any minor irregularity or technicality found in any individual proposal.
- f. The DPMM reserves the right to reject any and all proposals.
- g. When evaluating a proposal, the State of Missouri reserves the right to consider relevant information and fact, whether gained from a proposal, from an offeror, from offeror's references, or from any other source.
- h. Any information submitted with the proposal, regardless of the format or placement of such information, may be considered in making decisions related to the responsiveness and merit of a proposal and the award of a contract.
- i. Negotiations may be conducted with those offerors who submit potentially acceptable proposals. Proposal revisions may be permitted for the purpose of obtaining BAFOs. In conducting negotiations, there shall be no disclosure of any information submitted by competing offerors.
- j. Any award of a contract shall be made by notification from the DPMM to the successful offeror. The DPMM reserves the right to make awards by item, group of items, or an all-or-none basis. The grouping of items awarded shall be determined by the DPMM based upon factors such as item similarity, location, administrative efficiency, or other considerations in the best interests of the State of Missouri.

- k. Pursuant to Section 610.021, RSMo, proposals and related documents shall not be available for public review until after a contract is executed or all proposals are rejected.
- l. The DPMM posts all proposal results on the On-line Bidding/Vendor Registration System website for premium registered offerors to view for a reasonable period after proposal award and maintains images of all proposal file material for review. Offerors who include an e-mail address with their proposal will be notified of the award results via e-mail.
- m. The DPMM reserves the right to request clarification of any portion of the offeror's response in order to verify the intent of the offeror. The offeror is cautioned, however, that its response may be subject to acceptance or rejection without further clarification.
- n. Any proposal award protest must be received within 10 calendar days after the date of award in accordance with the requirements of 1 CSR 40-1.050 (10).
- o. The final determination of contract(s) award shall be made by the DPMM.

## **9. CONTRACT/PURCHASE ORDER**

- a. By submitting a proposal, the offeror agrees to furnish any and all equipment, supplies, and/or services specified in the RFP, at the prices quoted, pursuant to all requirements and specifications contained therein.
- b. A binding contract shall consist of: (1) the RFP, amendments thereto, and any BAFO request(s) with RFP changes/additions; (2) the contractor's proposal including any contractor BAFO response(s); (3) clarification of the proposal, if any; and (4) the DPMM's acceptance of the proposal by "Notice of Award" or by "purchase order." All exhibits and attachments included in the RFP shall be incorporated into the contract by reference.
- c. A Notice of Award issued by the State of Missouri does not constitute an authorization for shipment of equipment or supplies or a directive to proceed with services. Before providing equipment, supplies, and/or services for the State of Missouri, the contractor must receive a properly authorized purchase order or other form of authorization given to the contractor at the discretion of the state agency.
- d. The contract expresses the complete agreement of the parties, and performance shall be governed solely by the specifications and requirements contained therein. Any change to the contract, whether by modification and/or supplementation, must be accomplished by a formal contract amendment signed and approved by and between the duly authorized representative of the contractor and the DPMM or by a modified purchase order prior to the effective date of such modification. The contractor expressly and explicitly understands and agrees that no other method and/or no other document, including correspondence, acts, and oral communications by or from any person, shall be used or construed as an amendment or modification to the contract.

## **10. INVOICING AND PAYMENT**

- a. The State of Missouri does not pay state or federal taxes unless otherwise required under law or regulation.
- b. The statewide financial management system has been designed to capture certain receipt and payment information. For each purchase order received, an invoice must be submitted that references the purchase order number and must be itemized in accordance with items listed on the purchase order. Failure to comply with this requirement may delay processing of invoices for payment.
- c. The contractor shall not transfer any interest in the contract, whether by assignment or otherwise, without the prior written consent of the DPMM.
- d. Payment for all equipment, supplies, and/or services required herein shall be made in arrears unless otherwise indicated in the RFP.
- e. The State of Missouri assumes no obligation for equipment, supplies, and/or services shipped or provided in excess of the quantity ordered. Any unauthorized quantity is subject to the state's rejection and shall be returned at the contractor's expense.
- f. All invoices for equipment, supplies, and/or services purchased by the State of Missouri shall be subject to late payment charges as provided in Section 34.055, RSMo.
- g. The State of Missouri reserves the right to purchase goods and services using the state purchasing card.

## **11. DELIVERY**

Time is of the essence. Deliveries of equipment, supplies, and/or services must be made no later than the time stated in the contract, or within a reasonable period of time if a specific time is not stated.

## **12. INSPECTION AND ACCEPTANCE**

- a. No equipment, supplies, and/or services received by an agency of the state pursuant to a contract shall be deemed accepted until the agency has had reasonable opportunity to inspect said equipment, supplies, and/or services.
- b. All equipment, supplies, and/or services that do not comply with the specifications and/or requirements or that are otherwise unacceptable or defective may be rejected. In addition, all equipment, supplies, and/or services that are discovered to be defective or that do not conform to any warranty of the contractor upon inspection (or at any later time if the defects contained were not reasonably ascertainable upon the initial inspection) may be rejected.
- c. The State of Missouri reserves the right to return any such rejected shipment at the contractor's expense for full credit or replacement and to specify a reasonable date by which replacements must be received.
- d. The State of Missouri's right to reject any unacceptable equipment, supplies, and/or services shall not exclude any other legal, equitable, or contractual remedies the state may have.

## **13. WARRANTY**

- a. The contractor expressly warrants that all equipment, supplies, and/or services provided shall: (1) conform to each and every specification, drawing, sample, or other description which was furnished to or adopted by the DPMM; (2) be fit and sufficient for the purpose expressed in the RFP; (3) be merchantable; (4) be of good materials and workmanship; and (5) be substantially free from defect.
- b. Such warranty shall survive delivery and shall not be deemed waived either by reason of the state's acceptance of or payment for said equipment, supplies, and/or services.

## **14. CONFLICT OF INTEREST**

- a. Officials and employees of the state agency, its governing body, or any other public officials of the State of Missouri must comply with Sections 105.452 and 105.454, RSMo, regarding conflict of interest.
- b. The contractor hereby covenants that at the time of the submission of the proposal, the contractor has no other contractual relationships which would create any actual or perceived conflict of interest. The contractor further agrees that during the term of the contract, neither the contractor nor any of its employees shall acquire any other contractual relationships which create such a conflict.

## **15. REMEDIES AND RIGHTS**

- a. No provision in the contract shall be construed, expressly or implied, as a waiver by the State of Missouri of any existing or future right and/or remedy available by law in the event of any claim by the State of Missouri of the contractor's default or breach of contract.
- b. The contractor agrees and understands that the contract shall constitute an assignment by the contractor to the State of Missouri of all rights, title, and interest in and to all causes of action that the contractor may have under the antitrust laws of the United States or the State of Missouri for which causes of action have accrued or will accrue as the result of or in relation to the particular equipment, supplies, and/or services purchased or procured by the contractor in the fulfillment of the contract with the State of Missouri.

## **16. CANCELLATION OF CONTRACT**

- a. In the event of a material breach of the contractual obligations by the contractor, the DPMM may cancel the contract. At its sole discretion, the DPMM may give the contractor an opportunity to cure the breach or to explain how the breach will be cured. The actual cure must be completed within no more than 10 working days from notification, or at a minimum, the contractor must provide the DPMM within 10 working days from notification a written plan detailing how the contractor intends to cure the breach.
- b. If the contractor fails to cure the breach or if circumstances demand immediate action, the DPMM will issue a notice of cancellation terminating the contract immediately.

- c. If the DPMM cancels the contract for breach, the DPMM reserves the right to obtain the equipment, supplies, and/or services to be provided pursuant to the contract from other sources and upon such terms and in such manner as the DPMM deems appropriate and charge the contractor for any additional costs incurred thereby.
- d. The contractor understands and agrees that money required to fund the contract must be appropriated by the General Assembly of the State of Missouri for each fiscal year included within the contract period. The contract shall not be binding upon the state for any period in which funds have not been appropriated, and the state shall not be liable for any costs associated with termination caused by lack of appropriations.

## **17. COMMUNICATIONS AND NOTICES**

Any notice to the offeror/contractor shall be deemed sufficient when deposited in the United States mail, postage prepaid; transmitted by facsimile; transmitted by e-mail; or hand-carried and presented to an authorized employee of the offeror/contractor.

## **18. BANKRUPTCY OR INSOLVENCY**

- a. Upon filing for any bankruptcy or insolvency proceeding by or against the contractor, whether voluntary or involuntary, or upon the appointment of a receiver, trustee, or assignee for the benefit of creditors, the contractor must notify the DPMM immediately.
- b. Upon learning of any such actions, the DPMM reserves the right, at its sole discretion, to either cancel the contract or affirm the contract and hold the contractor responsible for damages.

## **19. INVENTIONS, PATENTS AND COPYRIGHTS**

The contractor shall defend, protect, and hold harmless the State of Missouri, its officers, agents, and employees against all suits of law or in equity resulting from patent and copyright infringement concerning the contractor's performance or products produced under the terms of the contract.

## **20. NON-DISCRIMINATION AND AFFIRMATIVE ACTION**

In connection with the furnishing of equipment, supplies, and/or services under the contract, the contractor and all subcontractors shall agree not to discriminate against recipients of services or employees or applicants for employment on the basis of race, color, religion, national origin, sex, age, disability, or veteran status unless otherwise provided by law. If the contractor or subcontractor employs at least 50 persons, they shall have and maintain an affirmative action program which shall include:

- a. A written policy statement committing the organization to affirmative action and assigning management responsibilities and procedures for evaluation and dissemination;
- b. The identification of a person designated to handle affirmative action;
- c. The establishment of non-discriminatory selection standards, objective measures to analyze recruitment, an upward mobility system, a wage and salary structure, and standards applicable to layoff, recall, discharge, demotion, and discipline;
- d. The exclusion of discrimination from all collective bargaining agreements; and
- e. Performance of an internal audit of the reporting system to monitor execution and to provide for future planning.

If discrimination by a contractor is found to exist, the DPMM shall take appropriate enforcement action which may include, but not necessarily be limited to, cancellation of the contract, suspension, or debarment by the DPMM until corrective action by the contractor is made and ensured, and referral to the Attorney General's Office, whichever enforcement action may be deemed most appropriate.

**21. AMERICANS WITH DISABILITIES ACT**

In connection with the furnishing of equipment, supplies, and/or services under the contract, the contractor and all subcontractors shall comply with all applicable requirements and provisions of the Americans with Disabilities Act (ADA).

**22. FILING AND PAYMENT OF TAXES**

The Commissioner of Administration and other agencies to which the state purchasing law applies shall not contract for goods or services with a vendor if the vendor or an affiliate of the vendor makes sales at retail of tangible personal property or for the purpose of storage, use, or consumption in this state but fails to collect and properly pay the tax as provided in Chapter 144, RSMo. For the purposes of this section, "affiliate of the vendor" shall mean any person or entity that is controlled by or is under common control with the vendor, whether through stock ownership or otherwise. Therefore, offeror's failure to maintain compliance with Chapter 144, RSMo, may eliminate their proposal from consideration for award.

**23. TITLES**

Titles of paragraphs used herein are for the purpose of facilitating reference only and shall not be construed to infer a contractual construction of language.

Revised 01-20-10